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TITLE 3—THE PRESIDENT

EXECUTIVE ORDER 10389

RESTORING CERTAIN LAND RESERVED FOR MILITARY PURPOSES OF THE UNITED STATES TO THE JURISDICTION OF THE TERRITORY OF HAWAII

WHEREAS a tract of land at Ka Lae, Kamoa, Kau, Island of Hawaii, Territory of Hawaii, which forms a part of the public land ceded and transferred to the United States by the Republic of Hawaii under the joint resolution of annexation of July 7, 1898, 30 Stat. 750, was reserved for military purposes of the United States in part by Presidential Executive Order No. 4635 of April 21, 1927, and in part by Executive Order No. 869 of February 6, 1940, of the Governor of the Territory of Hawaii; and

WHEREAS such land is no longer needed for military purposes, and it is deemed advisable and in the public interest that it be restored to the possession, use, and control of the Territory of Hawaii:

NOW, THEREFORE, by virtue of the authority vested in me by section 91 of the act of April 30, 1900, 31 Stat. 159, as amended by section 7 of the act of May 27, 1910, 36 Stat. 447, it is ordered as follows:

The following-described tract of land situated at Ka Lae, Kamoa, Kau, Island of Hawaii, Territory of Hawaii, is hereby restored to the possession, use, and control of the Territory of Hawaii:

Beginning at point "B" on the east boundary of Ka Lae Light House Reservation, said point "B" marked by a drilled hole in solid rock is situated 724.72 feet south, and 174.41 feet east of U. S. Coast Guard and Geodetic Survey triangulation station "Ka Lae"; thence from said point of beginning by azimuths, measured clockwise, from true south, the following courses and distances as follows: 174° 49' 00", 1028.00 feet along the Ka Lae Light House Reservation boundary to a point; thence 134° 17' 00", 670.38 feet along the same to a point intersecting the high water line; thence following the sea pali to a point which is the northwest corner of this reservation, said point bears 90° 00' 00", 50.00 feet from a 2 inch pipe set in cement, the coordinates of said point referred to Government Survey triangulation station "Ka Lae" being 4424.46 feet north and 345.22 feet west; thence 270° 00' 00", 8031.10 feet to a Railroad spike set in concrete and stone ahu, said point being the northeast corner of this reservation; thence 360° 00' 00", 1570.00 feet to a point on the sea coast at the high water line; thence along the sea coast and the high water line in a southwesterly direction to a point at the southeast corner of the Ka Lae Lighthouse Reservation, the direct azimuth and distance being 64° 08' 06", 8341.60 feet; thence 174° 49' 00", 60.00 feet along the Ka Lae Lighthouse Reservation boundary to the point of beginning; containing 699.38 acres, more or less.

HARRY S. TRUMAN

THE WHITE HOUSE,
August 30, 1952.

[F. R. Doc. 52-9683; Filed, Sept. 2, 1952; 10:27 a. m.]

TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter C—Loans, Purchases, and Other Operations

[1952 C. C. C. Grain Price Support Bulletin 1, Amdt. 2 to Supp. 1, Rye]

PART 601—GRAINS AND RELATED COMMODITIES

SUBPART—1952-CROP RYE LOAN AND PURCHASE AGREEMENT PROGRAM

SUPPORT RATES

The regulation issued by Commodity Credit Corporation and the Production and Marketing Administration, published in 17 F. R. 3777 and 4835, and containing the specific requirements for the 1952-crop rye price support program is hereby amended as follows:

1. Section 601.1908 (a) (5) is amended by changing certain states in the four areas so that the amended subparagraph reads as follows:

(Continued on p. 7961)

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FEDERAL REGISTER

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§ 601.1908 *Support rates.* * * *

(a) *Basic support rates at designated terminal markets.* * * *

(5) For rye received by truck and stored at any designated terminal market, the support rate shall be determined by making a deduction from the applicable terminal rate as follows:

Terminal located in—	*Amount of deduction (cents per bushel)*
Area I: Arizona, California, Idaho, Nevada, Oregon, Utah, Washington	12½
Area II: Minnesota, Montana, North Dakota, South Dakota, also Superior, Wisconsin	12½
Area III: Colorado, Illinois, Iowa, Kansas, Missouri, Nebraska, Wyoming, Wisconsin, except Superior	13
Area IV: All States not listed in Areas I, II, and III above	14

2. Section 601.1908 (b) (1) is amended to include a provision with respect to rye shipped at other than the domestic interstate freight rate so that the amended subparagraph reads as follows:

§ 601.1908 *Support rates.* * * *

(b) *Support rates for rye in approved warehouse-storage at other than designated terminal markets.* (1) The support rate for rye stored in approved warehouses (other than those situated in the designated terminal markets) which is shipped by rail or water, shall be determined by deducting from the appropriate designated terminal market rate an amount equal to the transit balance, if any (plus tax) of the through-freight rate from point of origin for such rye to such terminal market: *Provided*, That on any rye shipped at other than the domestic interstate freight rate, the support rate shall be further reduced by the difference between the freight paid (plus tax) and the domestic interstate freight rate (plus tax) from the point of origin of such rye to the point of storage: *And provided further*, That in the case of rye stored at any railroad transit point, taking a penalty by reason of out-of-line movement, or for any other reason, to the appropriate designated market, there shall be added to such transit balance an amount equal to any out-of-line costs or other costs incurred in storing rye in such position.

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 301, 401, 63 Stat. 1053; 1054; 15 U. S. C. Sup 714c, 7 U. S. C. Sup. 1447, 1421)

Issued this 27th day of August 1952.

[SEAL] W. E. UNDERHILL,
Acting Vice President,
Commodity Credit Corporation.

Approved:

ROY W. LENNARTSON,
Acting President,
Commodity Credit Corporation.

[F. R. Doc. 52-9610; Filed, Sept. 2, 1952; 8:53 a. m.]

TITLE 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Bureau of Animal Industry, Department of Agriculture

Subchapter D—Exportation and Importation of Animals and Animal Products

[BAI Order 373]

PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE), AND NEWCASTLE DISEASE (AVIAN PNEUMOENCEPHALITIS); PROHIBITED AND RESTRICTED IMPORTATIONS

NON-EXISTENCE OF RINDERPEST AND FOOT-AND-MOUTH DISEASE IN MEXICO

On August 23, 1952, there was published in the FEDERAL REGISTER (17 F. R. 7742) a notice of proposed determination of the non-existence of rinderpest and foot-and-mouth disease in Mexico and of a proposed amendment of the regulations relating to prohibitions and restrictions on the importation of certain animals and animal products on account of such diseases. After due consideration of all relevant material submitted in connection with the notice, the Secretary of Agriculture, pursuant to the authority vested in him by section 306 of the Tariff Act of 1930 (19 U. S. C. 1306), has determined and notified the Secretary of the Treasury that rinderpest and foot-and-mouth disease do not now exist in Mexico, and hereby amends § 94.1, Part 94, Subchapter D, Chapter 1, Title 9 of the Code of Federal Regulations (§ 94.1 of BAI Order 373) by striking therefrom the word "Mexico".

The determination, notification, and amendment, remove the present prohibitions under section 306 of the Tariff Act upon importation into the United States of cattle, sheep, other domestic ruminants, and swine, and of fresh, chilled, or frozen beef, veal, mutton, lamb, or pork from Mexico and renders the commodities specified in Part 94, Subchapter D, Chapter 1, Title 9 of the Code of Federal Regulations (BAI Order 373), and originating in said country, no longer subject to the provisions of that part.

Since the foregoing amendment relieves restrictions heretofore imposed, it may be made effective under section 4 of the Administrative Procedure Act (5 U. S. C. 1003) less than 30 days after publication in the FEDERAL REGISTER. Accordingly, it shall become effective immediately.

(Sec. 306, 46 Stat. 689; 19 U. S. C. 1306)

Done at Washington, D. C., this 1st day of September 1952.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 52-9684; Filed, Sept. 2, 1952; 11:00 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

[Civil Air Regs., Amdt. 21-11]

PART 21—AIRLINE TRANSPORT PILOT RATING

AIRLINE TRANSPORT PILOT CERTIFICATE, DURATION

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 27th day of August 1952.

Prior to May 1, 1949, airline transport pilots were issued horsepower ratings which specified the power range of aircraft for which the holder was rated. Effective May 1, 1949, Part 21 of the Civil Air Regulations was amended to require in lieu of horsepower ratings the issuance of type ratings for each type of civil aircraft having a maximum certificated weight exceeding 12,500 pounds. The amendment also permitted the holder of an airline transport pilot certificate to continue until May 1, 1953, to pilot those aircraft that were covered by his horsepower ratings without holding a type rating. In addition, May 1, 1953, is the designated date upon which the United States is obligated to bring its outstanding pilot certificates into conformity with Annex 1 to the Convention on International Civil Aviation or to place an endorsement upon each certificate specifying wherein the holder has not met the ICAO standards if, in fact, any such standards have not been met. The amendment is designed for two purposes: (1) It provides a means whereby horsepower ratings can be deleted from airline transport pilot ratings, (2) until May 1, 1953, it enables airline transport pilots who hold appropriate horsepower ratings to obtain type ratings for aircraft exceeding 12,500 pounds maximum certificated weight without further demonstration of competency.

This amendment provides that all airline transport pilot certificates having a horsepower rating, that is, all certificates, whether originally issued prior to May 1, 1949, or reissued after that date which have horsepower ratings, shall expire May 1, 1953. However, upon application prior to May 1, 1953, such certificates will be reissued with category, class, and appropriate type ratings for each aircraft, without further demonstration of competency, to applicants who can produce evidence that they either have passed an official rating test in the type aircraft, or have served 10 hours since May 1, 1949, within these ratings as pilot in command and sole manipulator of the controls of the type aircraft. Presently effective certificates having horsepower ratings will not be valid after May 1, 1953.

It is desired that each pilot affected by this amendment make application for the exchange of his certificate as soon as possible, because it is anticipated that the Civil Aeronautics Administration will require the better part of 9 months in order to effect the reissuance of all affected certificates.

Interested persons have been afforded an opportunity to participate in the making of this amendment, and due consideration has been given to all relevant matter presented. Since this amendment imposes no additional burden on any person, it may be made effective without prior notice.

In consideration of the foregoing the Civil Aeronautics Board hereby amends Part 21 of the Civil Air Regulations (14 CFR Part 21, as amended) effective immediately.

By adding a new paragraph (e) to § 21.24 to read as follows:

§ 21.24 *Duration.* * * *

(e) All airline transport pilot certificates showing horsepower ratings shall expire May 1, 1953. Upon application to the Administrator prior to May 1, 1953, such valid certificates may be exchanged, without further showing of competency, for new certificates with ratings coinciding with those held; except that in lieu of horsepower ratings, type ratings for aircraft exceeding 12,500 pounds maximum certificated weight shall be issued upon presentation of reliable evidence that the certificate holder either has passed an official rating test, as prescribed by the Administrator, in that type aircraft; or has served as pilot in command and sole manipulator of the controls of that type aircraft for at least 10 hours since May 1, 1949, and such aircraft was within his category, class, and horsepower ratings.

(Sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interpret or apply secs. 601, 602, 52 Stat. 1007, 1008, as amended; 49 U. S. C. 551, 552)

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN, *Secretary.*

[F. R. Doc. 52-9615; Filed, Sept. 2, 1952; 8:53 a. m.]

[Civil Air Regs., Amdt. 43-8]

PART 43—GENERAL OPERATIONS RULES

RATING REQUIREMENTS

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 27th day of August 1952.

Prior to May 1, 1949, aircraft category and class ratings issued to private or commercial pilots did not include provisions for differentiating between large and small aircraft. A rating, such as airplane multiengine land, applied equally to a twin-engine Cessna or a four-engine Constellation. Effective May 1, 1949, Part 43 of the Civil Air Regulations was amended to require the holding a type rating to pilot an aircraft exceeding 12,500 pounds maximum certificated weight when carrying passengers. However, the amendment permitted the holder of a certificate issued prior to May 1, 1949, to continue until May 1, 1953, to pilot all types of aircraft within his category and class rating without weight limitation. Thus, after May 1, 1953, the present regulations will prohibit the holder of a pilot certificate with class and category ratings but without a type rating from serving as pilot in command of aircraft exceeding 12,500 pounds maximum certificated weight while carrying passengers.

One of the purposes of this amendment is to provide a means whereby the holder of appropriate category and class ratings can obtain, without further demonstration of competency, a type rating for those aircraft exceeding 12,500 pounds maximum certificated weight in which he either has had at least 10 hours of flying time since May 1, 1949, as pilot in command and sole manipulator of the controls or at any time has passed an official rating test.

In addition, this amendment modifies present rating requirements by prescribing that the pilot in command of large aircraft shall hold an appropriate aircraft type rating not only for the carriage of passengers, but also when cargo is carried for hire in an aircraft. It does not affect the privileges of a pilot to fly in command of aircraft of 12,500 pounds or less maximum certificated weight, nor does it affect his present copilot privileges. This change will also bring the regulation into conformity with the requirements of Annex 1 to the Convention on International Civil Aviation. Article 38 of the Chicago Convention requires the United States either to take such action or to file a notice of deviation with ICAO.

It is desired that each private or commercial pilot who is eligible to obtain a type rating by reason of the provisions of this amendment make application as soon as possible to the nearest CAA office for the issuance of appropriate type rating, because it is anticipated that the CAA will require the better part of 9 months in order to accomplish this changeover.

Interested persons have been afforded an opportunity to participate in the making of this amendment, and due consideration has been given to all relevant matter presented. Since this amendment imposes no additional burden on any person, it may be made effective without prior notice.

In consideration of the foregoing the Civil Aeronautics Board hereby amends Part 43 of the Civil Air Regulations (14 CFR Part 43, as amended) effective immediately.

By deleting footnotes 1 and 2 to § 43.63 and by amending this section to read as follows:

§ 43.63 *Rating requirements.* A private or commercial pilot shall not serve as pilot in command of an aircraft carrying passengers or operated for remuneration other than in aircraft of the category and class for which he is rated. After May 1, 1953, a private or commercial pilot shall not serve as pilot in command of aircraft exceeding 12,500 pounds maximum certificated weight when carrying passengers or operated for remuneration unless, in addition to proper category and class ratings, he also held an appropriate type rating. Upon application to the Administrator prior to May 1, 1953, by the holder of a valid private or commercial pilot certificate, type ratings for each aircraft exceeding 12,500 pounds maximum certificated weight will be issued to such holder, without further showing of competency, upon presentation of reliable evidence that the certificate holder either has passed an official rating test, as prescribed by the Administrator, in that type aircraft; or has

served as pilot in command and sole manipulator of the controls for at least 10 hours since May 1, 1949, and such aircraft was within his category and class ratings. A private or commercial pilot may serve as pilot in command of aircraft for which he is not rated when it is being flown without passengers and is not being operated for remuneration, unless other limitations placed on his certificate prohibit him from doing so.

NOTE: Nothing contained in this section shall be construed as relieving the restrictions with respect to private pilots operating aircraft for hire.

(Sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interprets or applies secs. 601, 602, 52 Stat. 1007, 1008, as amended; 49 U. S. C. 551, 552)

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN, *Secretary.*

[F. R. Doc. 52-9614; Filed, Sept. 2, 1952; 8:53 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 5800]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

DOESKIN PRODUCTS, INC.

Subpart—*Advertising falsely or misleadingly:* § 3.110 *Indorsements, approval and testimonials.* Subpart—*Tests and investigations:* § 3.265 Subpart—*Claiming or using indorsements or testimonials falsely or misleadingly:* § 3.330—*Claiming or using indorsements or testimonials falsely or misleadingly.* Subpart—*Misbranding or mislabeling:* § 3.1235 *Indorsements, approvals or awards:* § 3.1340 *Tests.* In connection with the offering for sale, sale and distribution of sanitary napkins in commerce, representing, directly or by implication, (1) that tests conducted by the organization known as Consumers Union have shown respondent's product to be the safest or most absorbent of all sanitary napkins tested; or (2) that respondent's product has been endorsed or approved by any stylist or fashion authority, unless the person referred to is in fact an independent stylist not connected with respondent, and unless such person has in fact endorsed or approved said product; prohibited.

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and Desist Order, Doeskin Products, Inc., New York, N. Y., Docket 5800, May 15, 1952]

In the Matter of Doeskin Products, Inc., a Corporation

This proceeding was heard by William L. Pack, hearing examiner, upon the complaint of the Commission, respondent's answer, and hearings at which testimony and other evidence in support of and in opposition to the allegations of the complaint, duly recorded and filed in the office of the Commission, were introduced before said examiner, therefore duly designated by the Commission.

Thereafter the proceeding regularly came on for final consideration by said examiner, upon the complaint, answer, testimony and other evidence, proposed findings and conclusions submitted by counsel, and oral argument of counsel, and said examiner, having duly considered the record, and having found that the proceeding was in the interest of the public, made his initial decision, comprising certain findings as to the facts,[1] conclusion[1] drawn therefrom, and order to cease and desist.

Thereafter the matter was disposed of by the Commission's "Order denying appeals from initial decision of the hearing examiner, decision of the Commission and order to file report of compliance", Docket 5800, May 15, 1952, as follows:

This matter came on to be heard by the Commission upon appeals by both the respondent and counsel supporting the complaint from the initial decision of the hearing examiner, briefs filed in support of and in opposition to both appeals and oral argument of counsel.

This proceeding relates to respondent's advertising claims for its product "Sanapak", a sanitary napkin. These appeals are concerned with the meaning and truthfulness of respondent's representations as to the results of a test of the comparative absorbency of its product and other brands of sanitary napkins conducted by Consumers Union and published in the magazine "Consumer Reports."

The representations referred to are as follows:

(1) As set out on one side of the carton in which respondent's product was sold:

Consumers Union Tests Report Sanapak Safest!

(2) As set out on another side of its cartons:

Amazing Results of Independent, Impartial, Unsolicited Research Consumers Union Tests Report Sanapak Safest Sanitary Napkin Proved Most Absorbent of all Leading Brands by Scientific Fact-Finding Service Report Published in "Consumer Reports" Magazine.

(3) As set out in an advertisement published in a Chicago newspaper of wide circulation and in an advertising circular widely distributed by respondent to its dealers:

Amazing Results of Independent, Impartial. Unsolicited Research! Consumers Union Tests Report Sanapak Safest Sanitary Napkin.

Proved Most Absorbent of all Leading Brands by Scientific Fact-Finding Service.

Report published in "Consumer Reports" Magazine These startling tests published in the August 1949 issue of "Consumer Reports", official publication of Consumers Union, rated Sanapak most absorbent—thus, safest—of all leading sanitary napkins tested. The report stated: "In Sanapak * * * water-repellent paper was used between cores of filler; Sanapak had excellent absorbency."

This water-repellent material—both in the center of the napkin, plus three full layers at the back (Sanapak's famous "Pink Safety Back")—is the reason for Sanapak's amazing extra safety. It is the reason, too, why thousands of women have learned by actual experience that they prefer Sanapak to all other brands. Sanapak is so much safer—so much more comfortable. You know you're safe with Sanapak.

We publish this news independent of Consumers Union, because we believe it to be of vital importance to the vast majority of American women. Consumers Union is a subscription service for members only, and was not trying to increase Sanapak sales. It was testing solely to determine the facts, the unvarnished truth. Sanapak's amazing superiority was demonstrated solely on its merit.

Prove it to yourself. Get Sanapak today—without risking a single penny. Sanapak is the safest and most comfortable sanitary napkin you ever wore, or its makers guarantee double your money back!

The report of the results of the tests referred to in these advertisements, as published in "Consumer Reports" magazine, stated that the absorbency of respondent's product and of two other brands was excellent and that they were superior in this respect to the other brands tested. The magazine article did not contain any comparison of the results of the test as among these three brands rated excellent. The records of the actual test reveal, however, that respondent's product rated third in absorbency in this group. Upon this record the hearing examiner, in his initial decision, found that respondent had falsely represented that this test showed its product to be the safest and most absorbent of all sanitary napkins tested and prohibited it from making such representation in the future.

Respondent appealed from this decision upon the grounds that (1) respondent did not represent that the Consumers Union test did find Sanapak to be the most absorbent of all sanitary napkins; (2) these tests did find that Sanapak was the most absorbent of all sanitary napkins available to the average consumer; and (3) there is no public interest in this proceeding.

In support of its first ground for appeal respondent contends that a consideration of the complained of advertisements as a whole shows respondent represented that the tests found Sanapak to be the most absorbent of all leading brands of sanitary napkins, not that they found it to be the most absorbent of all brands. This contention is believed to be of no merit. The Commission is of the opinion that the representation "Consumers Union Tests Report Sanapak Safest" clearly means that Sanapak was found by these tests to be the safest of all brands tested in the sense of having superior absorbency. Thus, this representation standing alone on one side of the carton in which respondent's product was sold, is clearly false.

As to those advertisements in which the representation "Consumers Union Tests Report Sanapak Safest Sanitary Napkin" was accompanied by the statement that these tests proved Sanapak to be the most absorbent of all leading brands, it is believed that this accompanying statement does not have the effect of showing that the tests found Sanapak to be superior to the largest selling brands only. The Commission is of the opinion that these advertisements considered in their entirety represent that these tests proved that Sanapak is the safest from a standpoint of absorbency of those brands of sani-

[1] Filed as part of the original document.

tary napkins tested, which brands included the best brands sold. This representation is false and misleading.

Respondent further contends that even if its advertisements were interpreted as representing that these tests found Sanapak to be the most absorbent of all sanitary napkins, that such representation would be true as the tests found that Sanapak was the most absorbent of all sanitary napkins available to the average consumer. The record does show that sales of Aimcee, one of the brands testing higher than respondent's product, had been discontinued prior to the publication of the results of said tests. However, the record shows that Sanflex, the other brand testing higher than respondent's product, was available to consumers in New York, Detroit and St. Louis. There is no evidence that it was not also available in many other areas. The record is silent as to the total sales of Sanflex or its position in the industry. The record does show that compared to Kotex and Modess, whose combined sales comprise ninety-five percent of total sales in the United States, all of the other brands sales are small. Among these other brands Sanapak excels in total sales. However, inasmuch as Sanflex is available to consumers, respondent's contention that the test results as to it should be ignored is of no merit.

Respondent further contends that there is not sufficient public interest in this proceeding to support the Commission's jurisdiction because the proceeding is moot and involves only a private controversy. In support of its claim that this proceeding is moot, respondent contends that the practice has been stopped and that respondent offered to consent to an order to cease and desist. The record shows that prior to the publication of the complained of advertisements, respondent was informed by the organization which had conducted the tests that its proposed representation that the tests showed Sanapak to be safest was false. Even after the Commission's investigation in this matter respondent continued to sell its product in cartons on which were printed the complained of representations and told the Commission that it intended to continue to do so until its supply of cartons on hand was used up. At that time respondent had approximately 450,000 of such cartons on hand. After issuance of the complaint herein respondent stopped the complained of practice and offered to consent to an order to cease and desist, but at all times it has maintained that its advertisements were legal. The Commission is of the opinion that this record does not provide sufficient assurance that respondent may not at some time in the future resume such representations unless it is prohibited from doing so by an order of the Commission.

In support of its contention that this proceeding is only a private controversy, respondent states that this proceeding arose out of a complaint by Consumers Union, which organization was concerned with respondent's unauthorized use of its material rather than the truth or falsity of respondent's reports of the results of the tests conducted by it. Respondent further states that the proper forum for determination of this controversy is the District Court of the United States for the Southern District of New York in which Consumers Union has brought a private suit against respondent, seeking damages for the use of its test results and further seeking an injunction against the republication of the complained of representation. In fact this proceeding does not relate to respondent's unauthorized use of the results of the Consumers Union tests, but relates to the false and misleading nature of respondent's advertisements. The Commission is of the opinion that the hearing examiner correctly held that these advertisements contained false and misleading representations which had the tendency and capacity to mislead and deceive a substantial portion of the purchasing public, and to cause them to purchase respondent's product as a result of the erroneous and mistaken belief so engendered. Therefore, the Commission is of the further opinion that the hearing examiner correctly concluded that the public interest is served by this proceeding and that respondent's contention to the contrary is of no merit.

Respondent's exceptions to Paragraphs Three (d), Three (e), Six (a), Six (b) and Nine of the findings contained in the initial decision are rejected for the reasons stated hereinabove.

Counsel supporting the complaint appeals from the failure of the hearing examiner to find that respondent's product is not the most absorbent sanitary napkin. The complaint alleges that respondent represented that Sanapak is superior for use under ordinary and usual conditions to other sanitary napkins. It further alleges that "the alleged superiority in absorbency of Sanapak does not render it superior to many other sanitary napkins" and that respondent's product "is also inferior in that respect (i. e. absorbency) to many other sanitary napkins." Upon this issue the hearing examiner found that the evidence as to the relative absorbency of the various brands of sanitary napkins tested is at best inconclusive and that, therefore, this charge in the complaint has not been sustained. From this finding counsel supporting the complaint appeals contending that every test in the record shows that respondent's product is not the most absorbent, with the exception of certain tests by respondent which were improperly and unscientifically conducted.

The Commission is of the opinion that the hearing examiner properly concluded that on a basis of the evidence contained in this record the comparative absorbency of the brands of sanitary napkins tested cannot be determined. The variations in the results of the tests by Consumers Union and of the test by Foster D. Snell, Inc., are so great as to permit no conclusion to be based upon them as to the comparative absorbency of the brands tested.

The Commission is of the further opinion that all of the findings as to the facts contained in the initial decision are supported by the reliable, substantial, and probative evidence of record; that the conclusion contained therein is correct; and that the order to cease and desist is proper upon this record and is required to provide proper relief from respondent's illegal practices.

The Commission, therefore, being of the opinion that both of the appeals herein are without merit and that the hearing examiner's initial decision is appropriate in all respects to dispose of this proceeding:

It is ordered, That the appeal of counsel supporting the complaint and the appeal of respondent from the initial decision of the hearing examiner be, and they both hereby are, denied.

It is further ordered, That the initial decision of the hearing examiner shall, on the 15th day of May, 1952, become the decision of the Commission.

It is further ordered, That respondent Doeskin Products, Inc., a corporation, shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist contained in said initial decision,' a copy of which is attached hereto.

The order in said initial decision, thus made the decision of the Commission, is as follows:

It is ordered, That the respondent, Doeskin Products, Inc., a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of sanitary napkins in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication:

1. That tests conducted by the organization known as Consumers Union have shown respondent's product to be the safest or most absorbent of all sanitary napkins tested.

2. That respondent's product has been endorsed or approved by any stylist or fashion authority, unless the person referred to is in fact an independent stylist not connected with respondent, and unless such person has in fact endorsed or approved said product.

Issued: May 15, 1952.

By the Commission.

[SEAL] D. C. DANIEL, *Secretary.*

[F. R. Doc. 52-9605; Filed, Sept. 2, 1952; 8:51 a. m.]

[Docket 5911]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

RAY MERTZ & CO.

Subpart—*Using or selling lottery devices:* § 3.2475 *Devices for lottery selling.* Selling or distributing in commerce, push cards, punchboards, or other lottery devices, which are to be used or may be used in the sale or distribution of merchandise to the public by means of a game of chance, gift enterprise or lottery scheme; prohibited.

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, Ray Mertz & Company, Chicago, Ill., Docket 5911, May 5, 1952]

In the Matter of Ray Mertz, an Individual, Trading as Ray Mertz & Company

This proceeding was heard by Frank Hier, hearing examiner, theretofore duly designated by the Commission, upon the complaint of the Commission, respondent's answer thereto, and hearings at which testimony and other evidence were introduced in support of the allegations of the complaint, and were duly recorded and filed in the office of the Commission. Certain testimony, the proffer of which appears in the record, was rejected by said examiner for immateriality and irrelevance.

Thereafter the proceeding came on for final consideration by said examiner on the complaint, the answer thereto, and testimony and other evidence, no proposed findings or conclusions having been filed by any counsel; and said examiner, having duly considered the record in the matter and having found that the proceeding was in the interest of the public, made his initial decision, comprising certain findings as to the facts,[1] conclusions [1] drawn therefrom, and order to cease and desist.

No appeal having been filed from said initial decision of said hearing examiner as provided for in Rule XXII, nor any other action taken as thereby provided to prevent said initial decision becoming the decision of the Commission thirty days from service thereof upon the parties, said initial decision, including said order to cease and desist, accordingly, under the provisions of said Rule XXII became the decision of the Commission on May 5, 1952.

The said order to cease and desist is as follows:

It is ordered, That the respondent, Ray Mertz, an individual trading as Ray Mertz & Company, or under any other name or trade name, directly or through any corporate or other device, do forthwith cease and desist from selling or distributing in commerce, as "commerce" is defined in the Federal Trade Commission Act, punchboards, push cards or any other lottery devices which are to be used or may be used in the sale or distribution of merchandise to the public by means of a game of chance, gift enterprise or lottery scheme.

By "Decision of the Commission and order to file report of compliance", Docket 5911, May 5, 1952, which announced and decreed fruition of said initial decision—and noted Commissioner Mason's concurrence in the findings as to the facts and conclusion, but not in the form of order to cease and desist, for the reasons stated in his opinion, concurring in part and dissenting in part in Worthmore Sales Co., Docket 5203, March 10, 1950, 46 F. T. C. 606—report of compliance with the said order was required as follows:

[1] Filed as part of the original document.

It is ordered, That the respondent herein shall, within sixty (60) days after after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with the order to cease and desist.

By the Commission, Commissioner Mason concurring in the findings as to the facts and conclusions but not concurring in the form of order to cease and desist, for the reasons stated in his opinion concurring in part and dissenting in part in Docket 5203—Worthmore Sales Company.

Issued: May 5, 1952.

[SEAL] D. C. DANIEL, *Secretary.*

[F. R. Doc. 52-9606; Filed, Sept. 2, 1952; 8:52 a. m.]

TITLE 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T. D. 53087]

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

FREE ENTRY OF ARTICLES FOR INSTITUTIONS

Paragraph 1774, Tariff Act of 1930, prior to its amendment by Public Law 392, 82d Congress, provided for free entry of the articles listed therein only when imported for presentation to and for the use of any corporation or association organized and operated exclusively for religious purposes. Public Law 392 amended paragraph 1774 to provide for free entry of such articles not only when imported for presentation to such a corporation or association but also when imported by order of the corporation or association. In accordance with this change in the law, and also to eliminate the requirement of a certificate of delivery in cases where the customs examination of the articles listed in paragraph 1774 and certain other free entry paragraphs is made on the institution's premises, the following changes are made in §§ 10.43, 10.44, and 10.51, Customs Regulations of 1943 (19 CFR 10.43, 10.44, 10.51):

1. Section 10.43 (a), as amended, is amended to read as follows:

§ 10.43 *Requirements on entry.* (a) The importer of articles claimed to be exempt from duty under paragraph 1631,[39] 1773,[40] or 1817,[40a] Tariff Act of 1930, or under the provision in paragraph 1774,[40b] Tariff Act of 1930, for articles imported by order of an institution, shall file, as evidence that such articles are entitled to free entry, a declaration on customs Form 3321 of an executive officer or other authorized representative of the institution for which the articles are imported. In the case of articles claimed to be free under paragraph 1817, the affidavit required by that paragraph shall also be furnished.

2. In § 10.43 (a), footnote 40b is inserted after footnote 40a and reads as follows:

[40b] Altars, pulpits, communion tables, baptismal fonts, shrines, or parts of any of the foregoing, and statuary (except casts of plaster of paris, or of compositions of paper or papier-mâché), imported in good faith for the use of, either by order of or for presentation (without charge) to, any corporation or association organized and operated exclusively for religious purposes. (Tariff Act of 1930, par. 1774 (free list); 19 U. S. C. 1201, par. 1774)

3. The citation of authority for § 10.43 is amended to read as follows:

(Sec. 201 (pars. 1631, 1773, 1774, 1817) 46 Stat. 672, as amended; 19 U. S. C. 1201 (pars. 1631, 1773, 1774, 1817))

4. Section 10.44 (c), as amended, is amended to read as follows:

§ 10.44 *Declaration of dealer or agent; certificate of delivery; stipulation.* * * *

(c) Unless the importation is consigned to the institution, the receipt of the articles is acknowledged by the institution on customs Form 3321, or the appraising officer reports that the articles were examined on the institution's premises, a certificate of delivery, customs Form 3337, signed by an executive officer or other authorized representative of the institution, shall be filed within 6 months from the date of entry. (See § 25.16 (c) of this chapter.)

(Sec. 201 (pars. 1631, 1773, 1774, 1817) 46 Stat. 672, as amended; 19 U. S. C. 1201 (pars. 1631, 1773, 1774, 1817))

5. Section 10.51 is amended to read as follows:

§ 10.51 *Articles for institutions.* When articles for institutions are claimed to be free of duty under the provisions in paragraph 1774 or 1810, Tariff Act of 1930,[46] for articles imported for presentation to institutions, there shall be filed, in connection with the entry of such articles, a declaration on customs Form 3331 showing that the articles were expressly imported for presentation to the institution named in the entry, together with letters of presentation and acceptance from the donors and donees, respectively.

(Sec. 201 (pars. 1774, 1810), 46 Stat. 682, as amended, 685, sec. 624, 46 Stat. 759; 19 U. S. C. 1201 (pars. 1774, 1810), 1624)

6. In § 10.51, footnote 46, the quotation from paragraph 1774 is amended to read as follows:

[46] PAR. 1774. Altars, pulpits, communion tables, baptismal fonts, shrines, or parts of any of the foregoing, and statuary (except casts of plaster of paris, or of compositions of paper or papier-mâché), imported in good faith for the use of, either by order of or for presentation (without charge) to, any corporation or association organized and operated exclusively for religious purposes.

[SEAL] FRANK DOW, *Commissioner of Customs.*

Approved: August 27, 1952.

JOHN S. GRAHAM, *Acting Secretary of the Treasury.*

[F. R. Doc. 52-9603; Filed, Sept. 2, 1952; 8:51 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter A—Income and Excess Profits Taxes

[Regs. 111, T. D. 5928]

PART 29—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1941

Subchapter F—Records and Procedure

PART 601—PROCEDURE

TAXATION OF BUSINESS INCOME OF CERTAIN TAX-EXEMPT ORGANIZATIONS FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1950

On January 8, 1952, notice of proposed rule making was published in the FEDERAL REGISTER (17 F. R. 204), in order to conform Regulations 111 (26 CFR Part 29) to Part I of Title III of the Revenue Act of 1950, approved September 23, 1950, to section 201 (d) and (e) of the Excess Profits Tax Act of 1950, approved January 3, 1951, and to sections 121 (e), 125, 339, 347, and 348 of the Revenue Act of 1951, approved October 20, 1951. After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the amendments to Regulations 111 (26 CFR Part 29) set forth below are hereby adopted. A technical amendment is also made to 26 CFR 601.17 (a), respecting forms required of organizations exempt from taxes imposed under chapter 1 of the Internal Revenue Code.

PARAGRAPH 1. Section 29.52–1, as amended by Treasury Decision 5458, approved June 15, 1945, is further amended by inserting immediately after the third sentence thereof the following: "For returns of certain corporations, otherwise exempt from tax under section 101 (1), (6), (7), or (14), which are subject to the tax imposed by section 421 (a) (1) upon their Supplement U net income for any taxable year beginning after December 31, 1950, see § 29.421–5. For returns of certain governmental colleges or universities and corporations wholly owned by such colleges or universities, which are subject to the tax imposed by section 421 (a) (1) upon their Supplement U net income for any taxable year beginning after December 31, 1951, see § 29.421–5."

PAR. 2. Section 29.54–1, as amended by Treasury Decision 5838, approved April 17, 1951, is further amended by striking the word "Every" at the beginning of the second sentence thereof, and by inserting in lieu of such word the following: "In addition to such permanent books and records as are required under the preceding sentence with respect to the tax imposed by Supplement U, every".

PAR. 3. Section 29.101–2, as amended by Treasury Decision 5838, is further amended by inserting at the end thereof the following:

(k) *Supplement U tax returns.* In addition to the foregoing requirements of this section, certain organizations otherwise exempt from tax under section 101 (1), (6), (7), or (14), that are subject to tax on Supplement U net income, are also required to file returns on Form 990–T for taxable years beginning after December 31, 1950. See § 29.421–5 for requirements with respect to such returns.

PAR. 4. Section 29.101 (1)–1 and § 29.101 (7)–1 are each amended by adding at the end thereof the following: "For taxable years beginning after December 31, 1950, organizations otherwise exempt from tax under this section are taxable upon their Supplement U net income. See sections 421 through 424, and the regulations thereunder."

PAR. 5. Section 29.101 (6)–1 is amended by striking paragraph (d) and inserting in lieu thereof the following:

(d) Since an organization exempt under section 101 (6) must be organized and operated exclusively for one or more of the specified purposes, an organization organized or operated for the primary purpose of carrying on a trade or business for profit is not exempt thereunder. Thus, such an organization is not exempt under section 101 (6) even though it has certain religious purposes, its property is held in common, and its profits do not inure to the benefit of individual members of the organization. See section 101 (18) as to religious or apostolic associations or corporations. For taxable years beginning after December 31, 1950, organizations, including trusts, otherwise exempt from tax under this section (other than a church, or a convention or association of churches) are taxable on Supplement U net income. See sections 421 through 424, and the regulations thereunder.

PAR. 6. Paragraph (14) of section 101 is stricken from that portion of section 101 which is set forth immediately after § 29.101 (13)–1, and there is inserted immediately after § 29.101 (13)–1 the following:

[SEC. 101. EXEMPTIONS FROM TAX ON CORPORATIONS—AS AMENDED BY SEC. 217 (a), REV. ACT 1939; SECS. 137 (a), 163 (a), REV. ACT 1942.]

[The following organizations shall be exempt from taxation under this chapter—]

(14) Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt from the tax imposed by this chapter;

§ 29.101 (14)–1 *Corporations organized to hold title to property for exempt organizations.* (a) For taxable years beginning after December 31, 1950, a corporation otherwise exempt from tax under section 101 (14) is taxable upon its Supplement U net income if the income is payable to an organization which is itself subject to the tax imposed by Supplement U or if the income is payable to a church or to a convention or association of churches. Since a corporation to be exempt under section 101 (14) must not engage in any business other than that of holding title to property and collecting income therefrom, it cannot have unrelated business net income as defined in section 422 (a) other than Supplement U rental income described in section 423.

(b) A corporation exempt under section 101 (14) cannot accumulate income and retain its exemption, but it must turn over the entire amount of such income, less expenses, to an organization which is itself exempt from tax under chapter 1 of the Internal Revenue Code.

PAR. 7. There is inserted immediately preceding § 29.117–1 the following:

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(c) *Technical amendments.* * * *

(2) Section 117 (c) (1) is hereby amended by inserting before "and 500" the following: "421,".

(3) Section 117 (c) (2) is hereby amended by inserting after "sections 11 and 12" the following: "(or, in the case of certain tax-exempt trusts, in lieu of the tax imposed by section 421)".

* * * * *

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (sections 301, 302, and 303 of the Revenue Act of 1950) shall be applicable only with respect to taxable years beginning after December 31, 1950. * * *

PAR. 8. Section 29.117–3 is amended as follows:

(A) By inserting in paragraph (a) thereof immediately after "sections 11 and 12", in each place where those words appear, the following: "(or, in the case of certain tax-exempt trusts, the tax imposed by section 421)".

(B) By inserting in paragraph (b) thereof immediately before "and 500", in each place where that phrase appears, the following: "421,".

(C) By inserting immediately after paragraph (b) thereof the following undesignated paragraph:

In applying section 117 (c) in the case of tax-exempt trusts or organizations subject to the tax imposed by section 421, the only amount which is taken into account as capital gain or loss is that which is taken into account in computing unrelated business net income under section 422. Under section 422, the only amount taken into account as capital gain or loss is that resulting from the application of section 117 (k) (1).

PAR. 9. Section 29.142–1, as amended by Treasury Decision 5687, approved February 16, 1949, is further amended by inserting at the end thereof the following:

(e) *Supplement U tax returns.* For returns on Form 990–T by certain trusts otherwise exempt from tax under section 101 (6), which trusts are subject to the tax imposed by section 421 (a) (2) upon Supplement U net income, see § 29.421–5.

PAR. 10 There is inserted immediately preceding § 29.143–1 the following:

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(c) *Technical amendments.* * * *

(4) Section 143 is hereby amended by adding at the end thereof the following new subsection:

(h) *Withholding on certain foreign tax-exempt organizations.* In the case of income of a foreign organization subject to the

tax imposed by section 421 (a), the provisions of this section and section 144 shall apply to rents includible under section 422 in computing its unrelated business net income, but only to the extent and subject to such conditions as may be provided under regulations prescribed by the Secretary.

* * * * *

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part [sections 301, 302, and 303 of the Revenue Act of 1950] shall be applicable only with respect to taxable years beginning after December 31, 1950. * * *

PAR. 11. Section 29.143–1 (a), as amended by Treasury Decision 5709, approved June 27, 1949, is further amended by adding immediately after the subparagraph (6) thereof the following undesignated paragraph:

The gross amount of rents paid under a Supplement U lease to an organization subject to the tax imposed by section 421 (a) with respect to rents includible under section 422 in computing unrelated business net income is subject to withholding.

PAR. 12. Section 29.144–1 is amended by adding immediately after paragraph (e) the following: "For withholding in the case of rents under a Supplement U lease paid to a foreign corporation subject to the tax imposed by section 421 (a), see section 143 (h) and § 29.143–1 (a)."

PAR. 13. Section 29.217–2, as amended by Treasury Decision 5687 and § 29.235–2 are each amended by inserting at the end thereof the following:

(c) *Supplement U tax.* For returns with respect to the tax imposed by section 421 (a) upon Supplement U net income for any taxable year beginning after December 31, 1950, see § 29.421–5.

PAR. 14. There is inserted immediately after § 29.220–1, as added by Treasury Decision 5893, approved April 4, 1952, the following:

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(c) *Technical amendments.* * * *

(5) Supplement H is hereby amended by adding at the end thereof the following new section:

SEC. 221. FOREIGN EDUCATIONAL, CHARITABLE AND CERTAIN OTHER EXEMPT ORGANIZATIONS.

For special provisions relating to foreign educational, charitable and other exempt trusts, see section 421 (d).

* * * * *

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (sections 301, 302, and 303 of the Revenue Act of 1950) shall be applicable only with respect to taxable years beginning after December 31, 1950. * * *

PAR. 15. There is inserted immediately after section 237, which section is set forth immediately after § 29.236–1, the following:

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(c) *Technical amendments.* * * *

(6) Supplement I is hereby amended by adding at the end thereof the following new section:

SEC. 238. FOREIGN EDUCATIONAL, CHARITABLE AND CERTAIN OTHER EXEMPT ORGANIZATIONS.

For special provisions relating to foreign educational, charitable and certain other exempt organizations, see section 421 (d).

* * * * *

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (sections 301, 302, and 303 of the Revenue Act of 1950) shall be applicable only with respect to taxable years beginning after December 31, 1950. * * *

PAR. 16. The title of Supplement U, which title is set forth immediately after § 29.404–1, is amended to read as follows:

SUPPLEMENT U (TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 1948) ABATEMENT OF TAX FOR MEMBERS OF ARMED FORCES ON DEATH.

PAR. 17. There is inserted immediately after § 29.421–1 the following:

SUPPLEMENT U (TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1950)—TAXATION OF BUSINESS INCOME OF CERTAIN SECTION 101 ORGANIZATIONS.

SEC. 421. IMPOSITION OF TAX (APPLICABLE TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1950—AS AMENDED BY SEC. 301, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950, BY SEC. 201 (d) AND (e), EXCESS PROFITS TAX ACT OF 1950, APPROVED JANUARY 3, 1951, AND BY SECS. 121 (e) AND 339 (a), REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

NOTE: For effective date of the last clause of section 421 (a) (1), see section 125 of the Revenue Act of 1951, set forth below, and for the effective date of section 421 (b) (1) (B), see section 339 (c) of the Revenue Act of 1951, set forth below.

(a) *In general.* There shall be levied, collected, and paid for each taxable year beginning after December 31, 1950—

(1) Upon the Supplement U net income (as defined in subsection (c)) of every organization described in subsection (b) (1), a normal tax of 25 per centum of the supplement U net income, and a surtax of 22 per centum of the amount of the Supplement U net income in excess of $25,000; except that (A) in the case of taxable years beginning before April 1, 1951, and ending after March 31, 1951, the normal tax shall be 28¾ per centum of the Supplement U net income, and (B) in the case of taxable years beginning after March 31, 1951, and before April 1, 1954, the normal tax shall be 30 per centum of the Supplement U net income.

(2) Upon the supplement U net income of every trust described in subsection (b) (2), a normal tax computed at the rate and in the manner provided in section 11 and a surtax computed at the rates and in the manner provided in section 12 (b). In making such computations for the purposes of this section, the term "the amount of the net income in excess of the credits against net income provided in section 25" as used in section 11 shall be read as "the amount of the supplement U net income" and the term "surtax net income" as used in section 12 (b) shall be read as "supplement U net income."

(b) *Organizations subject to tax*—(1) *Organizations taxable as corporations*—(A) *Organizations exempt under section 101 (1), (6), (7) and (14).* The taxes imposed by subsection (a) (1) shall apply in the case of any organization (other than a church, a convention or association of churches, or a trust described in paragraph (2)) which is exempt, except as provided in this supplement, from taxation under this chapter by reason of paragraph (1), (6), or (7) of section 101. Such taxes shall also apply in the case of a corporation described in section 101 (14) if the income is payable to an organization which itself is subject to the tax imposed by subsection (a) or to a church or to a convention or association of churches.

(B) *State colleges and universities.* The taxes imposed by subsection (a) (1) shall apply in the case of any college or university which is an agency or instrumentality of any government or any political subdivision thereof, or which is owned or operated by a government or any political subdivision thereof or by any agency or instrumentality of any one or more governments or political subdivisions. Such taxes shall also apply in the case of any corporation wholly owned by one or more such colleges or universities.

(2) *Trusts taxable at individual rates.* The taxes imposed by subsection (a) (2) shall apply in the case of any trust which is exempt, except as provided in this supplement, from taxation under this chapter by reason of paragraph (6) of section 101 and which, if it were not for such exemption, would be subject to the provisions of supplement E.

(c) *Definition of Supplement U net income.* The term "supplement U net income" of an organization means the amount by which its unrelated business net income (as defined in section 422) exceeds $1,000.

(d) *Foreign organizations.* The supplement U net income of an organization described in subsection (b) (1) or (2) which is a foreign organization shall be its supplement U net income derived from sources within the United States determined in accordance with the rules of section 119 and sections 212, 213 (a), 231 (c) and (d), and 232 (a).

SEC. 125. EFFECTIVE DATE (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * the amendments made to sections * * * 421 [by section 121 (e) which adds to section 421 (a) (1) the clause beginning "; except that * * *"] of the Internal Revenue Code shall be applicable to taxable years beginning after December 31, 1950, and ending after March 31, 1951. * * *

SEC. 339. TAXATION OF BUSINESS INCOME OF STATE COLLEGES AND UNIVERSITIES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(c) *Effective date.* The amendments made by this section [which adds subparagraph (B) to section 421 (b) (1)] shall be applicable only with respect to taxable years beginning after December 31, 1951.

(Section 29.421–1, relating to abatement of tax for members of armed forces on death, is set forth above immediately preceding section 421 as amended by the Revenue Act of 1950 and subsequent acts.)

§ 29.421–2 *Section 421 as applicable to taxable years beginning before 1948 and as applicable to taxable years beginning after 1950.* The provisions of Supplement U, and section 421 of such Supplement, for taxable years beginning before January 1, 1948, are entirely different from those applicable for taxable years beginning after December 31, 1950. For certain taxable years beginning before 1948, Supplement U and section 421 relate to the abatement of tax for members of the armed forces on death. For taxable years beginning after 1950, Supplement U and section 421 relate to the imposition of tax upon income of certain otherwise tax-exempt organizations. In order to avoid confusion as to the regulations applicable under these two different provisions of Supplement U and section 421, the regulations under Sup-

plement U and section 421 applicable for taxable years beginning before 1948 (that is, the regulations relating to the abatement of tax for members of the armed forces on death) are contained in § 29.421–1, and the regulations under Supplement U and section 421 for taxable years beginning after 1950 (that is, the regulations relating to the imposition of tax on the income of certain otherwise tax-exempt organizations) are set forth in § 29.421–3 and the sections of the regulations immediately following such section.

§ 29.421–3 *Imposition of tax*—(a) *Rates of tax.* Section 421 (a) imposes a tax, applicable only with respect to taxable years beginning after December 31, 1950, upon the Supplement U net income of certain organizations otherwise exempt from Federal income tax by reason of section 101 (1), (6), (7), or (14). Effective only with respect to taxable years beginning after December 31, 1951, the taxes imposed by section 421 (a) shall also apply in the case of any college or university which is an agency or instrumentality of any government or any political subdivision thereof, or which is owned or operated by a government or any political subdivision thereof or by any agency or instrumentality of any one or more governments or political subdivisions, and to any corporation wholly owned by one or more such colleges or universities. Under section 421 (a) (1), organizations described in section 421 (b) (1) (A) and in § 29.421–4 (a) (1) are, for taxable years beginning after December 31, 1950, and organizations described in section 421 (b) (1) (B) and in § 29.421–4 (a) (2) are, for taxable years beginning after December 31, 1951, subject to:

(1) A normal tax of 25 percent on their Supplement U net income, except that (i) in the case of taxable years beginning before April 1, 1951, and ending after March 31, 1951, the normal tax shall be 28¾ percent of the Supplement U net income, and (ii) in the case of taxable years beginning after March 31, 1951, and before April 1, 1954, the normal tax shall be 30 percent of the Supplement U net income, and

(2) A surtax of 22 percent on the amount of such income in excess of $25,000.

Under section 421 (a) (2), trusts described in section 421 (b) (2) and § 29.421–4 (b) are, for taxable years beginning after December 31, 1950, subject to tax at the individual rates prescribed in sections 11 and 12 (b). For the purpose of computing the tax imposed by section 11 and section 12 (b), the term "the amount of the net income in excess of the credits against net income provided in section 25", as used in section 11 and the term "surtax net income" as used in section 12 (b) shall each be read as "Supplement U net income". The credit of $100 against net income provided in section 163 (a) (1) in the case of a trust taxable under Supplement E is not allowed as a credit against Supplement U net income.

(b) *Definition of Supplement U net income.* The term "Supplement U net income" means the amount by which the unrelated business net income (as defined in section 422) of an organization exceeds $1,000.

§ 29.421–4 *Organizations subject to tax.* (a) (1) The taxes imposed by section 421 (a) (1) apply in the case of any organization (other than a church, a convention or association of churches, or a trust described in section 421 (b) (2) and in (b) of this section) which is exempt, except as provided in Supplement U, from taxation under chapter 1 by reason of paragraph (1), (6), or (7) of section 101. A corporation exempt from taxation under section 101 (14), holding property for an organization which itself is subject to the tax or for a church or a convention or association of churches, is also subject to the Supplement U tax under section 421 (a) (1).

(2) The taxes imposed by section 421 (a) (1) apply in the case of any college or university which is an agency or instrumentality of any government or any political subdivision thereof, or which is owned or operated by a government or any political subdivision thereof or by any agency or instrumentality of any one or more governments or political subdivisions. Such taxes also apply in the case of any corporation wholly owned by one or more such colleges or universities. As here used, the word "government" includes any foreign government (to the extent not contrary to any treaty obligation of the United States) and all domestic governments (the United States and any of its Territories or possessions, any State, and the District of Columbia). Elementary and secondary schools operated by such governments are not subject to the Supplement U tax.

(3) Churches and associations or conventions of churches are exempt from the Supplement U tax. The exemption is applicable only to an organization which itself is a church or an association or convention of churches. Religious organizations, including religious orders, if not themselves churches or associations or conventions of churches, and all other organizations which are organized or operated under church auspices, are subject to the Supplement U tax, whether or not they carry out a religious, educational, or charitable function approved by a church. For example, an incorporated university exempt from tax under section 101 (6) is subject to the Supplement U tax whether or not it was organized by or is operated under the auspices of a church.

(b) The taxes imposed by section 421 (a) (2) shall apply in the case of any trust which is exempt, except as provided in Supplement U, from taxation under chapter 1 by reason of paragraph (6) of section 101 and which, if it were not for such exemption under section 101 (6), would be subject to the provisions of Supplement E of such chapter.

§ 29.421–5 *Provisions generally applicable to Supplement U tax*—(a) *Assessment and collections.* Since the taxes imposed by section 421 are taxes imposed by chapter 1 of the Internal Revenue Code, all provisions of law and of these regulations applicable to the taxes imposed by chapter 1 are applicable to the assessment and collection of the taxes imposed by section 421. See paragraph (b) of this section for the requirement as to the filing of returns. Organizations subject to the tax imposed by section 421 (a) (1) are subject to the same provisions, including penalties, as are provided in the case of the income tax of other corporations. In the case of a trust subject to the tax imposed by section 421 (a) (2), the fiduciaries for such trust are subject to the same provisions, including penalties, as are applicable to fiduciaries in the case of the income tax of other trusts. See sections 52, 53, 56, and 142, and the regulations prescribed thereunder, with respect to provisions applicable to returns and payment of tax.

(b) *Returns.* The return of Supplement U tax shall be on Form 990–T. The return shall be filed for each taxable year beginning after December 31, 1950, by every organization, otherwise exempt from tax under section 101 (1), (6), (7), or (14) and subject to the Supplement U tax, which has gross income, included in computing unrelated business net income for such taxable year, of $1,000 or more. A return shall also be filed for each taxable year beginning after December 31, 1951, by every governmental college or university and by every corporation wholly owned by such a college or university, which is subject to the Supplement U tax and which has gross income, included in computing unrelated business net income for such taxable year, of $1,000 or more. The filing of Form 990–T does not relieve the organization of the duty of filing other returns required under chapter 1 of the Internal Revenue Code.

(c) *Taxable years, method of accounting, etc.* The taxable year (fiscal year or calendar year, as the case may be) of an organization shall be determined without regard to the fact that such organization may have been exempt from tax during any prior period. See sections 41 and 48, and the regulations thereunder. Similarly, in computing unrelated business net income, the determination of the taxable year for which an item of income or expense is taken into account shall be made under the provisions of sections 41, 42, and 43, and the regulations thereunder, whether or not the item arose during a taxable year beginning before, on, or after December 31, 1950. If a method for treating bad debts was selected in a return of income (other than an information return) for a previous taxable year, the taxpayer must follow such method in its returns under Supplement U, unless such method is changed in accordance with the provisions of § 29.23 (k)–1. A taxpayer which has not previously selected a method for treating bad debts may, in its first return under Supplement U, exercise the option granted in § 29.23 (k)–1.

(d) *Foreign tax credit.* See section 424 for provisions applicable to the credit for foreign taxes provided in section 131.

SEC. 422. UNRELATED BUSINESS NET INCOME (APPLICABLE TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1950—AS ADDED BY SEC. 301, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23,

1950, AND AS AMENDED BY SECS. 339 (b), 347, AND 348, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951)

NOTE: For the provisions of section 422 inserted by the amendments made by sections 339 (b), 347, and 348 of the Revenue Act of 1951, and for the effective dates of such amendments, see sections 339 (c), 347 (b), and 348 (b) of the Revenue Act of 1951, set forth below.

(a) *Definition.* The term "unrelated business net income" means the gross income derived by any organization from any unrelated trade or business (as defined in subsection (b)) regularly carried on by it, less the deductions allowed by section 23 which are directly connected with the carrying on of such trade or business, subject to the following exceptions, additions, and limitations:

(1) There shall be excluded all dividends, interest, and annuities, and all deductions directly connected with such income.

(2) There shall be excluded all royalties (including overriding royalties) whether measured by production or by gross or net income from the property, and all deductions directly connected with such income.

(3) There shall be excluded all rents from real property (including personal property leased with the real property), and all deductions directly connected with such rents.

(4) Notwithstanding paragraph (3), in the case of a supplement U lease (as defined in section 423 (a)) there shall be included, as an item of gross income derived from an unrelated trade or business, the amount ascertained under section 423 (d) (1) and there shall be allowed, as a deduction, the amount ascertained under section 423 (d) (2).

(5) There shall be excluded all gains or losses from the sale, exchange, or other disposition of property other than (A) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year, or (B) property held primarily for sale to customers in the ordinary course of the trade or business. This paragraph shall not apply with respect to the cutting of timber which is considered, upon the application of section 117 (k) (1), as a sale or exchange of such timber.

(6) The net operating loss deduction provided in section 23 (s) shall be allowed, except that—

(A) The net operating loss for any taxable year, the amount of the net operating loss carry-back or carry-over to any taxable year, and the net operating loss deduction for any taxable year shall be determined under section 122 without taking into account any amount of income or deduction which is excluded under this supplement in computing the unrelated business net income; and

(B) The terms "preceding taxable year" and "preceding taxable years" as used in section 122 shall not include any taxable year for which the organization was not subject to the provisions of this supplement.

(7) There shall be excluded all income derived from research for (A) the United States, or any of its agencies or instrumentalities, or (B) any State or political subdivision thereof; and there shall be excluded all deductions directly connected with such income.

(8) (A) In the case of a college, university, or hospital, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income.

(B) In the case of an organization operated primarily for the purposes of carrying on fundamental research the results of which are freely available to the general public, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income.

(9) (A) In the case of any organization described in section 421 (b) (1), the so-called "charitable contribution" deduction allowed by section 23 (q) shall be allowed (whether or not directly connected with the carrying on of the trade or business), but shall not exceed 5 per centum of the unrelated business net income computed without the benefit of this subparagraph.

(B) In the case of any trust described in section 421 (b) (2), the so-called "charitable contribution" deduction allowed by section 23 (o) shall be allowed (whether or not directly connected with the carrying on of the trade or business), and for such purpose a distribution made by the trust to a beneficiary described in section 23 (o) shall be considered as a gift or contribution. The deduction allowed by this subparagraph shall not exceed 15 per centum of the unrelated business net income computed without the benefit of this subparagraph.

If a trade or business regularly carried on by a partnership of which an organization is a member is an unrelated trade or business with respect to such organization, such organization in computing its unrelated business net income shall, subject to the exceptions, additions, and limitations contained in paragraphs (1) through (9) above, include its share (whether or not distributed) of the gross income of the partnership from such unrelated trade or business and its share of the partnership deductions directly connected with such gross income. If the taxable year of the organization is different from that of the partnership, the amounts to be so included or deducted in computing the unrelated business net income shall be based upon the income and deductions of the partnership for any taxable year of the partnership (whether beginning on, before, or after January 1, 1951) ending within or with the taxable year of the organization. In the case of an organization described in section 3813 (a) (2) which is a member of a partnership all of whose members are organizations described in section 3813 (a) (2), if a trade or business regularly carried on by such partnership is an unrelated trade or business with respect to such organization, such organization shall, for taxable years beginning before January 1, 1954, be allowed a deduction in an amount equal to the portion of the gross income of such partnership from such unrelated trade or business which such organization is required (by a provision of a written contract executed by such organization prior to January 1, 1950, which provision expressly deals with the disposition of the gross income of the partnership) to pay within the taxable year in discharge of indebtedness incurred by such organization in acquiring its share of such trade or business, or to irrevocably set aside within the taxable year for the discharge of such indebtedness (to the extent that such amount has been so paid or set aside) if (i) such partnership was formed prior to January 1, 1950, for the purpose of carrying on such trade or business, and (ii) substantially all the assets used in carrying on such trade or business were acquired by it or by its members prior to such date. As used in the preceding sentence, the word "indebtedness" does not include indebtedness incurred after January 1, 1950.

(b) *Unrelated trade or business.* The term "unrelated trade or business" means, in the case of any organization subject to the tax imposed by section 421 (a), any trade or business the conduct of which is not substantially related (aside from the need of such organization for income or funds or the use it makes of the profits derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101 (or, in the case of an organization described in section 421 (b) (1) (B), to the exercise or performance of any purpose or function described in section 101 (6)), except that such term shall not include any trade or business—

(1) In which substantially all the work in carrying on such trade or business is performed for the organization without compensation; or

(2) Which is carried on, in the case of an organization described in section 101 (6) or in the case of a college or university described in section 421 (b) (1) (B), by the organization primarily for the convenience of its members, students, patients, officers, or employees; or

(3) Which is the selling of merchandise, substantially all of which has been received by the organization as gifts or contributions.

The term "unrelated trade or business" means, in the case of a trust computing its unrelated business net income under this section for the purposes of section 162 (g) (1), any trade or business regularly carried on by such trust or by a partnership of which it is a member. If a publishing business carried on by an organization during a taxable year beginning before January 1, 1953, is, without regard to this sentence, an unrelated trade or business, but before the beginning of the third succeeding taxable year the business is carried on by it (or by a successor who acquired such business in a liquidation which would constitute a tax-free exchange under section 112 (b) (6)) in such manner that the conduct thereof is substantially related to the exercise or performance by such organization (or such successor) of its educational or other purpose or function described in section 101 (6), such publishing business shall not be considered, for the taxable year, as an unrelated trade or business.

SEC. 339. TAXATION OF BUSINESS INCOME OF STATE COLLEGES AND UNIVERSITIES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(c) *Effective date.* The amendments made by this section [which adds to section 422 (b) the phrase: "(or, in the case of an organization described in section 421 (b) (1) (B), to the exercise or performance of any purpose or function described in section 101 (6))", and inserts in paragraph (2) thereof the phrase: "or in the case of a college or university described in section 421 (b) (1) (B)"] shall be applicable only with respect to taxable years beginning after December 31, 1951.

SEC. 347. PUBLISHING BUSINESS CARRIED ON BY TAX EXEMPT ORGANIZATIONS (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(b) *Effective date.* The amendment made by this section [which adds to section 422 (b) the sentence beginning: "If a publishing business carried on by an organization * * *"] shall be applicable with respect to taxable years beginning after December 31, 1950, and prior to January 1, 1953.

SEC. 348. DEDUCTION WITH RESPECT TO CERTAIN UNRELATED BUSINESS NET INCOME (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(b) *Effective date.* The amendment made by this section [which adds to section 422 (a) the sentence beginning: "In the case of an organization described in section 3813 (a) (2) * * *" and the sentence following such sentence] shall be applicable with respect to taxable years beginning after December 31, 1950, and prior to January 1, 1954.

§ 29.422–1 *Definition of unrelated business net income.*—(a) *General rule.* The unrelated business net income which is subject to the Supplement U tax is the gross income, derived by any organization to which Supplement U applies, from any unrelated trade or business regularly carried on by it, less the deduc-

tions allowed by section 23 of the Code which are directly connected with the carrying on of such trade or business, subject to certain exceptions, additions, and limitations referred to below. In the case of an organization which regularly carries on two or more unrelated businesses, its unrelated business net income is the aggregate of its gross income from all such unrelated businesses, less the aggregate of the deductions allowed with respect to all such unrelated businesses. For provisions generally applicable to the computation of unrelated business net income, see § 29.421–5, and for rules applicable to the determination of the adjusted basis of property, see § 29.423–3 (a).

(b) *Exceptions, additions, and limitations.* Whether a particular item of income falls within any of the exceptions, additions, and limitations provided in section 422 shall be determined by all the facts and circumstances of each case. For example, if a payment termed "rent" by the parties is in fact a return of profits by a person operating the property for the benefit of the tax-exempt organization or is a share of the profits retained by such organization as a partner or a joint venturer, such payment is not within the exception for rent. The exceptions, additions, and limitations provided in section 422 are as follows:

(1) *Dividends, interest, and annuities.* All dividends, interest, and annuities, and the deductions directly connected therewith, shall be excluded in computing unrelated business net income.

(2) *Royalties.* Royalties, including overriding royalties, and all deductions directly connected with such income shall be excluded in computing unrelated business net income. Mineral royalties shall be excluded whether measured by production or by gross or net income from the mineral property. However, where an organization owns a working interest in a mineral property, and is not relieved of its share of the development costs by the terms of any agreement with an operator, income received from such an interest shall not be excluded. In-oil payments shall be treated in the same manner as royalty payments for the purpose of computing unrelated business net income.

(3) *Rents.* (i) Rents from real property (including personal property leased with the real property) and the deductions directly connected therewith shall also be excluded in computing unrelated business net income, except that certain rents from, and certain deductions in connection with, a Supplement U lease (as defined in section 423 (a)) shall be included in computing unrelated business net income. See §§ 29.423–3 and 29.423–4.

(ii) Payments for the use or occupancy of rooms or other space where services are also rendered to the occupant, such as for the use or occupancy of rooms or other quarters in hotels, boarding houses, or apartment houses furnishing hotel services, or in tourist camps or tourist homes, or for the use or occupancy of space in parking lots, warehouses, or storage garages, do not constitute rentals from real estate. Generally, services are considered rendered to the occupant if they are primarily for his convenience and are other than those usually or customarily rendered in connection with the rental of rooms or other space for occupancy only. The supplying of maid service, for example, constitutes such service; whereas the furnishing of heat and light, the cleaning of public entrances, exits, stairways and lobbies, the collection of trash, etc., are not considered as services rendered to the occupant. Payments for the use or occupancy of entire private residences or living quarters in duplex or multiple housing units, of offices in an office building, etc., are generally rentals from real estate.

(4) *Gains and losses from the sale, etc., of property.* There shall also be excluded from the computation of unrelated business net income gains or losses from the sale, exchange, or other disposition of property other than (i) stock in trade or other property of a kind which would properly be included in the inventory of the organization if on hand at the close of the taxable year, or (ii) property held primarily for sale to customers in the ordinary course of the trade or business. This exclusion does not apply with respect to the cutting of timber which is considered, upon the application of section 117 (k) (1), as a sale or exchange of such timber. The exclusion under section 422 (a) (5) applies with respect to gains and losses from involuntary conversions, casualties, etc.

(5) *Net operating losses.* The net operating loss deduction provided in section 23 (s) shall be allowed in computing unrelated business net income. However, the net operating loss carry-back or carry-over (from a taxable year for which the taxpayer is subject to the provisions of Supplement U) shall be determined under section 122 without taking into account any amount of income or deduction which is not included under Supplement U in computing unrelated business net income. For example, a loss attributable to an unrelated trade or business shall not be diminished by reason of the receipt of dividend income. For the purpose of computing the net operating loss deduction, the terms "preceding taxable year" and "preceding taxable years" as used in section 122 shall not include any taxable year for which the organization was not subject to the provisions of Supplement U. Thus, if the organization was not subject to the provisions of Supplement U for the immediately preceding taxable year, the net operating loss is not a carry-back to any preceding taxable year, and the net operating loss carry-over to succeeding taxable years is not reduced by the net income for any preceding taxable year. No net operating loss carry-back or carry-over shall be allowed only from a taxable year for which the taxpayer is subject to the provisions of Supplement U.

(6) *Research.* (i) Income derived from research for the United States or any of its agencies or instrumentalities or a State or political subdivision thereof, and all deductions directly connected with such income, shall be excluded in computing unrelated business net income.

(ii) In the case of a college, university, or hospital, all income derived from research performed for any person and all deductions directly connected with such income shall be excluded in computing unrelated business net income.

(iii) In the case of an organization operated primarily for the purpose of carrying on fundamental research (as distinguished from applied research) the results of which are freely available to the general public, all income derived from research performed for any person and all deductions directly connected with such income shall be excluded in computing unrelated business net income.

(iv) For the purpose of this section, the term "research" does not include activities of a type ordinarily carried on as an incident to commercial or industrial operations, for example, the ordinary testing or inspection of materials or products or the designing or construction of equipment, buildings, etc. The term "fundamental research" does not include research carried on for the primary purpose of commercial or industrial application.

(7) *Charitable, etc., contributions.* (i) In computing the unrelated business net income of a trust described in section 421 (b) (2) or of an organization described in section 421 (b) (1), there shall be deducted from gross income the amount allowed by section 23 (o) or 23 (q), whichever is applicable, whether or not the contribution is directly connected with the carrying on of the trade or business. This deduction shall be limited to 15 percent, if computed under section 23 (o), or 5 percent, if computed under section 23 (q), of the unrelated business net income computed without benefit of such deduction. In the case of a trust described in section 421 (b) (2), distributions made pursuant to the trust instrument to a beneficiary described in section 23 (o) shall be treated in the same manner as gifts or contributions.

(ii) The contribution, whether made by a trust or other exempt organization, must be paid to another organization to be allowable. For example, a university exempt from tax under section 101 (6), operating an unrelated business, shall be allowed a deduction, not in excess of 5 percent of its unrelated business net income, for gifts or contributions to another university for educational work but shall not be allowed any deduction for amounts expended in administering its own educational program.

§ 29.422–2 *Organizations that are members of partnerships.*—(a) *In general.* In the event an organization to which Supplement U applies is a member of a partnership regularly engaged in a trade or business which is an unrelated trade or business with respect to such organization, the organization shall include in computing its unrelated business net income so much of its share (whether or not distributed) of the partnership gross income as is derived from that unrelated business and its share of the deductions attributable thereto. For this purpose, both the gross income and the deductions shall be computed with

the necessary adjustments for the exceptions, additions, and limitations referred to in section 422 (a) and in § 29.422–1. For example, if an exempt educational institution is a partner in a partnership which operates a factory and if such partnership also holds stock in a corporation, the exempt organization shall include in computing its unrelated business net income its share of the gross income from the operation of the factory, but not its share of any dividends received by the partnership from the corporation. If the taxable year of the organization differs from that of the partnership, the amounts included or deducted in computing unrelated business net income shall be based upon the income and deductions of the partnership for each taxable year of the partnership (whether beginning on, before, or after January 1, 1951) ending within or with the taxable year of the organization.

(b) *Special rule.* For a special rule, applicable only with respect to taxable years beginning after December 31, 1950, and prior to January 1, 1954, with respect to unrelated trades or businesses carried on in partnership by certain educational organizations described in section 3818 (a) (2), see the last two sentences of section 422 (a) as amended by section 348 of the Revenue Act of 1951.

§ 29.422–3 *Definition of unrelated trade or business*—(a) *In general.* (1) The term "unrelated business net income" as used in section 422 (a) includes only income from an unrelated trade or business regularly carried on. As used in section 422 (a), the term "trade or business" has the same meaning as it has in section 23 (a) (1).

(2) The income of an exempt organization is subject to the Supplement U tax only if two conditions are present with respect to such income. The first condition is that the income must be from a trade or business which is regularly carried on by the organization. The second condition is that the trade or business must not be substantially related (aside from the need of the organization for income or funds or the use it makes of the profits derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101, or, in the case of an organization described in section 421 (b) (1) (B) (governmental colleges, etc.), to the exercise or performance of any purpose or function described in section 101 (6). Whether or not an organization is subject to the Supplement U tax shall be determined by the application of these tests to the particular circumstances involved in each individual case. See paragraph (b) of this section for certain exceptions from the term "unrelated trade or business."

(3) A trade or business is regularly carried on when the activity is conducted with sufficient consistency to indicate a continuing purpose of the organization to derive some of its income from such activity. An activity may be regularly carried on even though its performance is infrequent or seasonal.

(4) Ordinarily, a trade or business is substantially related to the activities for which an organization is granted exemption if the principal purpose of such trade or business is to further (other than through the production of income) the purpose for which the organization is granted exemption. In the usual case the nature and size of the trade or business must be compared with the nature and extent of the activities for which the organization is granted exemption in order to determine whether the principal purpose of such trade or business is to further (other than through the production of income) the purpose for which the organization is granted exemption. For example, the operation of a wheat farm is substantially related to the exempt activity of an agricultural college if the wheat farm is operated as a part of the educational program of the college, and is not operated on a scale disproportionately large when compared with the educational program of the college. Similarly, a university radio station or press is considered a related trade or business if operated primarily as an integral part of the educational program of the university, but is considered an unrelated trade or business if operated in substantially the same manner as a commercial radio station or publishing house. A trade or business not otherwise related does not become substantially related to an organization's exempt purpose merely because incidental use is made of the trade or business in order to further the exempt purpose. For example, the manufacture and sale of a product by an exempt college would not become substantially related merely because students as part of their educational program perform clerical or bookkeeping functions in the business. In some cases, the business may be substantially related because it is a necessary part of the exempt activity. For example, in the case of an organization exempt under section 101 (6) and engaged in the rehabilitation of handicapped persons, the business of selling articles made by such persons as a part of their rehabilitation training would not be considered an unrelated business since such business is a necessary part of the rehabilitation program.

(b) *Exceptions.* Section 422 (b) specifically states that the term "unrelated trade or business" does not include:

(1) Any trade or business in which substantially all the work in carrying on such trade or business is performed for the organization without compensation; or

(2) Any trade or business carried on by an organization exempt under section 101 (6) or by a governmental college or university described in section 421 (b) (1) (B), primarily for the convenience of its members, students, patients, officers, or employees; or

(3) Any trade or business which consists of selling merchandise, substantially all of which has been received by the organization as gifts or contributions.

An example of the operation of the first of the exceptions mentioned in subparagraphs (1), (2), and (3) of this paragraph would be an exempt orphanage operating a retail store and selling to the general public, where substantially all the work in carrying on such business is performed for the organization by volunteers without compensation. An example of the second limitation would be a laundry operated by a college for the purpose of laundering dormitory linens and the clothing of students. The third exception applies to so-called "thrift shops" operated by a tax-exempt organization where those desiring to benefit such organization contribute old clothes, books, furniture, etc., to be sold to the general public with the proceeds going to the exempt organization.

(c) *Special rule respecting publishing businesses.* For a special rule, applicable only with respect to taxable years beginning after December 31, 1950, and prior to January 1, 1953, with respect to publishing businesses carried on by an organization, see section 422 (b) as amended by section 347 of the Revenue Act of 1951.

SEC. 423. SUPPLEMENT U LEASE (APPLICABLE TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1950—AS ADDED BY SECTION 301, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(a) *Definition of Supplement U Lease.* The term "supplement U lease" means a lease for a term of more than five years of real property by an organization (or by a partnership of which it is a member), if at the close of the lessor's taxable year there is a supplement U lease indebtedness (as defined in subsection (b)) with respect to such property. In computing the term of a lease which contains an option for renewal or extension, the term of such lease shall be considered as including any period for which such option may be exercised; and the term of any lease made pursuant to an exercise of such option shall include the period during which the prior lease was in effect. If real property is acquired subject to a lease, the term of such lease shall be considered to begin on the date of such acquisition. No lease shall be considered a supplement U lease if (A) such lease is entered into primarily for purposes which are substantially related (aside from the need of such organization for income of funds or the use it makes of the rents derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101, or (B) the lease is of premises in a building primarily designed for occupancy, and occupied, by the organization. If a lease for more than five years to a tenant is for only a portion of the real property, and space in the real property is rented during the taxable year under a lease for not more than five years to any other tenant of the organization, leases of the real property for more than five years shall be considered as supplement U leases during the taxable year only if—

(1) The rents derived from the real property during the taxable year under such leases represent 50 per centum or more of the total rents derived during the taxable year from the real property; or the area of the premises occupied under such leases represents, at any time during the taxable year, 50 per centum or more of the total area of the real property rented at such time; or

(2) The rent derived from the real property during the taxable year from any tenant under such a lease, or from a group of tenants (under such leases) who are (A)

members of an affiliated group (as defined in section 141) or (B) partners, represents more than 10 per centum of the total rents derived during the taxable year from such property; or the area of the premises occupied by any one such tenant, or by any such group of tenants, represents at any time during the taxable year more than 10 per centum of the total area of the real property rented at such time.

(b) *Supplement U Lease indebtedness.* The term "Supplement U Lease indebtedness" means, with respect to any real property leased for a term of more than five years, the unpaid amount of—

(1) The indebtedness incurred by the lessor in acquiring or improving such property;

(2) The indebtedness incurred prior to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement; and

(3) The indebtedness incurred subsequent to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement and the incurrence of such indebtedness was reasonably foreseeable at the time of such acquisition or improvement.

Where real property is acquired subject to a mortgage or other similar lien, the amount of the indebtedness secured by such mortgage or lien shall be considered (whether the acquisition was by gift, devise, or purchase) as an indebtedness of the lessor incurred in acquiring such property even though the lessor did not assume or agree to pay such indebtedness, except that where real property was acquired by gift, bequest, or devise prior to July 1, 1950, subject to a mortgage or other similar lien, the amount of such mortgage or other similar lien shall not be considered as an indebtedness of the lessor incurred in acquiring such property. Where real property was acquired by gift, bequest, or devise prior to July 1, 1950, subject to a lease requiring improvements in such property upon the happening of stated contingencies, indebtedness incurred in improving such property in accordance with the terms of such lease shall not be considered as an indebtedness for purposes of this subsection. In the case of a corporation described in section 101 (14), all of the stock of which was acquired prior to July 1, 1950, by an organization described in paragraph (1), (6), or (7) of section 101 (and more than one-third of such stock was acquired by such organization by gift or bequest), any indebtedness incurred by such corporation prior to July 1, 1950, and any indebtedness incurred by such corporation on or after such date in improving real property in accordance with the terms of a lease entered into prior to such date, shall not be considered as an indebtedness with respect to such corporation or such organization for purposes of this subsection. In determining the amount of the supplement U lease indebtedness where only a portion of the real property is subject to a supplement U lease, proper allocation to the premises covered by such lease shall be made of the indebtedness incurred by the lessor with respect to the real property.

(c) *Personal property leased with real property.* For the purposes of this section, the term "real property" and the term "premises" include personal property of the lessor leased by it to a lessee of its real estate if the lease of such personal property is made under, or in connection with, the lease of such real estate.

(d) *Treatment of supplement U lease rents and deductions.* In computing under section 422 (a) the unrelated business net income for any taxable year—

(1) *Percentage of rents taken into account.* There shall be included with respect to each supplement U lease, as an item of gross income derived from an unrelated trade or business, an amount which is the same percentage (but not in excess of 100 per centum) of the total rents derived during the taxable year under such lease as (A) the supplement U lease indebtedness, at the close of the taxable year, with respect to the premises covered by such lease is of (B) the adjusted basis, at the close of the taxable year, of such premises.

(2) *Percentage of deductions taken into account.* There shall be allowed with respect to each supplement U lease, as a deduction to be taken into account in computing unrelated business net income, an amount which is the same percentage (but not in excess of 100 per centum) of the sum determined under paragraph (3) as the amount determined under clause (A) of paragraph (1) is of the amount determined under clause (B) of such paragraph.

(3) *Deductions allowable.* The sum referred to in paragraph (2) is the sum of the following deductions allowable under section 23:

(A) Taxes and other expenses paid or accrued during the taxable year upon or with respect to the real property subject to the supplement U lease.

(B) Interest paid or accrued during the taxable year on the supplement U lease indebtedness.

(C) A reasonable allowance for exhaustion, wear and tear (including a reasonable allowance for obsolescence) of the real property subject to such lease.

Where only a portion of the real property is subject to the supplement U lease, there shall be taken into account under subparagraphs (A), (B), or (C) only those amounts which are properly allocable to the premises covered by such lease.

§ 29.423–1 *Definition of Supplement U lease*—(a) *In general.* The term "Supplement U lease" means any lease, with certain exceptions discussed in paragraph (c) of this section, for a term of more than five years of real property by an organization subject to Supplement U (or by a partnership of which it is a member) if at the close of the organization's taxable year there is a Supplement U lease indebtedness as defined in section 423 (b) and § 29.423–2, with respect to such property. For the purpose of section 423, the term "real property" and the term "premises" include personal property of the lessor tax-exempt organization leased by it to a lessee of its real estate if the lease of such personal property is made under, or in connection with, the lease of such real estate. For amounts of Supplement U rents and deductions to be included in computing unrelated business net income, see § 29.423–3.

(b) *Special rules.* (1) In computing the term of the lease, the period for which a lease may be renewed or extended by reason of an option contained therein shall be considered as part of the term. For example, a 3-year lease with an option for renewal for another such period is considered a lease for a term of 6 years. Another example is the case of a 1-year lease with option of renewal for another such term, where the parties at the end of each year renew the arrangement. In this case, during the fifth year (but not during the first 4 years), the lease falls within the 5-year rule, since the lease then involves 5 years and there is an option for the sixth year. In determining the term of the lease, an option for renewal of the lease is taken into account whether or not the exercise of the option depends upon conditions or contingencies.

(2) If the property is acquired subject to a lease, the term of such lease shall be considered to begin on the date of such acquisition. For example, if an exempt organization purchases, in whole or in part with borrowed funds, real property subject to a 10-year lease which has 3 years left to run, and such lease contains no right of renewal or extension, the lease shall be considered a 3-year lease and hence does not meet the definition of a Supplement U lease in section 423 (a) and paragraph (a) of this section. However, if this lease contains an option to renew for a period of 3 years or more, it is a Supplement U lease.

(c) *Exceptions.* (1) A lease shall not be considered a Supplement U lease if such lease is entered into primarily for a purpose which is substantially related (aside from the need of such organization for income or funds, or the use it makes of the rents derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption. For example, where a tax-exempt hospital leases real property owned by it to an association of doctors for use as a clinic, the rents derived under such lease would not be included in computing unrelated business net income if the clinic is substantially related to the carrying on of hospital functions. See § 29.422–3 for principles applicable in determining whether there is a substantial relationship to the exempt purposes of an organization.

(2) A lease is not a Supplement U lease if the lease is of premises in a building primarily designed for occupancy and occupied by the tax-exempt organization.

(3) If a lease for more than 5 years to a tenant is for only a portion of the real property, and space in the real property is rented during the taxable year under a lease for not more than 5 years to any other tenant of the tax-exempt organization, leases of the real property for more than 5 years shall be considered as Supplement U leases during the taxable year only if:

(i) The rents derived from the real property during the taxable year under such leases represent 50 percent or more of the total rents derived during the taxable year from the real property; or the area of the premises occupied under such leases represents, at any time during the taxable year, 50 percent or more of the total area of the real property rented at such time; or

(ii) The rent derived from the real property during the taxable year from any tenant under such a lease, or from a group of tenants (under such leases) who are either members of an affiliated group (as defined in section 141) or are partners, represents more than 10 percent of the total rents derived during the taxable year from such property; or the area of the premises occupied by any one such tenant, or by any such group of tenants, represents at any time during the taxable year more than 10 percent of the total area of the real property rented at such time.

(4) The application of subparagraph (3) of this paragraph, may be illustrated by the following example: In 1951 an educational organization, which is on the calendar year basis, begins the erection of an 11-story apartment building using funds borrowed for that purpose, and immediately leases for a 10-year term the first floor to a real estate development company to sublet for stores and shops. As fast as the new apartments are completed, they are rented out on an annual basis. At the end of 1956, all except the tenth and eleventh floors are rented. Those two floors are completed during 1957 and rented out. Assume that for 1951 and each subsequent taxable year through 1956, and for the taxable year 1960, the gross rental for the first floor represents more than 10 percent of the total gross rents derived during the taxable year from the building. Under this set of facts the 10-year lease of the first floor would be considered to be a Supplement U lease for all except the taxable years 1958, 1959, and 1961.

§ 29.423–2 *Supplement U lease indebtedness*—(a) *Definition.* The term "Supplement U lease indebtedness" means, with respect to any real property leased by a tax-exempt organization for a term of more than 5 years, the unpaid amount of:

(1) The indebtedness incurred by the lessor tax-exempt organization in acquiring or improving such property;

(2) The indebtedness incurred by the lessor tax-exempt organization prior to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement; and

(3) The indebtedness incurred by the lessor tax-exempt organization subsequent to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement and the incurrence of the indebtedness was reasonably foreseeable at the time of such acquisition or improvement.

See paragraph (f) of this section with respect to subsidiary corporations.

(b) *Examples.* The rules of paragraph (a) of this section, respecting Supplement U leases also cover certain cases where the leased property itself is not subject to an indebtedness. For example, they apply to cases such as the following:

Example (1). A university pledges some of its investment securities with a bank for a loan and uses the proceeds of such loan to purchase (either directly or through a subsidiary corporation) a building, which building is subject to a lease that then has more than 5 years to run. This would be an example of a Supplement U lease indebtedness incurred prior to the acquisition of the property which would not have been incurred but for such acquisition.

Example (2). If the building itself in example (1), above, is later mortgaged to raise funds to release the pledged securities, the lease would continue to be a Supplement U lease.

Example (3). If a scientific organization mortgages its laboratory building to replace working capital used in remodeling another one of its buildings or a building held by its subsidiary corporation, which other building is free of indebtedness and is subject to a lease that then has more than 5 years to run, the lease would be a Supplement U lease inasmuch as the indebtedness though incurred subsequent to the improvement of such property would not have been incurred but for such improvement, and the incurrence of the indebtedness was reasonably foreseeable when, to make such improvement, the organization reduced its working capital below the amount necessary to continue current operations.

(c) *Lease of part of property.* Where only a portion of the real property is subject to a Supplement U lease, proper allocation of the indebtedness applicable to the whole property must be made to the premises covered by the lease.

(d) *Property acquired subject to lien.* Where real property is acquired subject to a mortgage or similar lien, whether the acquisition be by gift, bequest, devise, or purchase, the amount of the indebtedness secured by such mortgage or lien is a Supplement U lease indebtedness (unless paragraph (e) (1) of this section applies) even though the lessor does not assume or agree to pay the indebtedness. For example, a university pays $100,000 for real estate valued at $300,000 and subject to a $200,000 mortgage. For the purpose of the Supplement U tax, the result is the same as if $200,000 of borrowed funds had been used to buy the property.

(e) *Exceptions.* (1) Where real property was acquired by gift, bequest, or devise, prior to July 1, 1950, subject to a mortgage or other similar lien, the amount of such mortgage or other similar lien shall not be considered as an indebtedness of the lessor tax-exempt organization incurred in acquiring such property. An indebtedness not otherwise covered by this exception is not brought within the exception by reason of a transfer of the property between a parent and its subsidiary corporation.

(2) Where real property was acquired by gift, bequest, or devise, prior to July 1, 1950, subject to a lease requiring improvements in such property upon the happening of stated contingencies, indebtedness incurred in improving such property in accordance with the terms of such lease shall not be considered as indebtedness described in section 423 (b) and in this section. An indebtedness not otherwise covered by this exception is not brought within the exception by reason of a transfer of the property between a parent and its subsidiary corporation.

(3) In the case of a corporation described in section 101 (14), all of the stock of which was acquired prior to July 1, 1950, by an organization described in paragraph (1), (6), or (7), of section 101 (and more than one-third of such stock was acquired by such organization by gift or bequest), any indebtedness incurred by such corporation prior to July 1, 1950, and any indebtedness incurred by such corporation on or after such date in improving real property in accordance with the terms of a lease entered into prior to such date, with respect to either such section 101 (14) corporation or such section 101 (1), (6), or (7) organization, shall not be considered an indebtedness described in section 423 (b) and in this section.

(f) *Subsidiary corporations.* The provisions of section 423 are applicable whether or not a subsidiary corporation of the type exempt under section 101 (14) is availed of in making the Supplement U lease. For example, assume a parent organization borrows funds to purchase realty and sets up a separate section 101 (14) corporation as a subsidiary to hold the property. Such subsidiary corporation leases the property for a period of more than 5 years, collects the rents and pays over all of the income, less expenses, to the parent organization, the parent organization being liable for the indebtedness. Under these assumed facts, the lease by the section 101 (14) subsidiary corporation would be a Supplement U lease with respect to such subsidiary corporation, and the rental income would be subject to the tax, whether or not the subsidiary itself assumes the indebtedness and whether or not the property is subject to the indebtedness.

§ 29.423–3 *Treatment of rent from Supplement U lease*—(a) *General rule.* There shall be included with respect to each Supplement U lease, as an item of gross income derived from an unrelated trade or business, an amount which is the same percentage (but not in excess of 100 percent) of the total rents derived during the taxable year under such lease as:

(1) The amount of the Supplement U lease indebtedness at the close of the taxable year of the lessor tax-exempt organization, with respect to the premises covered by such lease, is of

(2) The adjusted basis of such premises at the close of such taxable year.

The basis (unadjusted) of property is determined under section 113 (a), and the adjusted basis of property is determined under section 113 (b). The determination of the adjusted basis of property is not affected by the fact that the organization was exempt from tax for prior taxable years. Proper adjustment must be made under section 113 (b) for the entire period since the acquisition of the property. Thus, adjustment must be made for depreciation for all prior taxable years whether or not the organization was exempt from tax for any of such years. Similarly, for taxable years during which the organization is subject to Supplement U, the fact that only a portion of the deduction for depreciation is taken into account under section 423 (d) does not affect the amount of the adjustment for depreciation.

(b) *Examples.* In each of the following examples it is assumed that the taxpayer makes its returns under Supplement U on the basis of the calendar year, and that the lease is not substantially related to the purpose for which the organization is granted exemption from tax.

Example (1). Assume that a tax-exempt educational organization purchased property in 1941 for $600,000, using borrowed funds, and leased the building for a period of 20 years. Assume further that the adjusted basis of such building at the close of 1951 is $500,000. If, at the close of 1951, $200,000 of the indebtedness incurred to acquire the property remains outstanding, since this is two-fifths of the adjusted basis of the building at the close of 1951, two-fifths of the

gross rental received from the building during 1951 shall be included as an item of gross income in computing unrelated business net income. If, at the close of a subsequent taxable year, the outstanding indebtedness is $100,000 and the adjusted basis of the building is $400,000, one-fourth of the gross rental for such taxable year shall be included as an item of gross income in computing unrelated business net income for such taxable year.

Example (2). Assume that a tax-exempt organization owns a 4-story building, that in 1951 it borrows $100,000 which it uses to improve the whole building, and that it thereafter in 1951 rents the first floor of the building under a 6-year lease at a rental of $4,000 a year. The second, third, and fourth floors of the building are leased on a yearly basis during 1951. Assume, also, that the adjusted basis of the real property at the end of 1951 (after reflecting the expenditures for improving the building) is $200,000, allocable equally to each of the 4 stories. Under these facts, only one-fourth of the real property is subject to a Supplement U lease. The percentage of the rent under such lease which is taken into account is determined by the ratio which the allocable part of the Supplement U lease indebtedness bears to the allocable part of the adjusted basis of the real property, that is, the ratio which one-fourth of the $100,000 of Supplement U lease indebtedness outstanding at the close of 1951, or $25,000, bears to one-fourth of the adjusted basis of the Supplement U lease premises at the close of 1951, or $50,000. The percentage of rent which is Supplement U lease income for 1951 is, therefore, one-half (the ratio of $25,000 to $50,000) of $4,000, or $2,000, and this amount of $2,000 is considered an item of gross income derived from an unrelated trade or business.

§ 29.423–4 *Percentage of deductions taken into account.* (a) The same percentage is used in determining both the portion of the rent and the portion of the deductions taken into account with respect to the Supplement U lease in computing unrelated business net income. See § 29.423–3 for the determination of such percentage. Such percentage is applicable only to the sum of the following deductions allowable under section 23:

(1) Taxes and other expenses paid or accrued during the taxable year upon or with respect to the real property subject to the Supplement U lease;

(2) Interest paid or accrued during the taxable year on the Supplement U lease indebtedness;

(3) A reasonable allowance for exhaustion, wear and tear (including a reasonable allowance for obsolescence) of the real property subject to such lease.

Where only a portion of the real property is subject to the Supplement U lease, there shall be taken into account only those amounts of the above-listed deductions which are properly allocable to the premises covered by such lease.

(b) The deductions allowable under section 423 (d) and under paragraph (a) of this section with respect to a Supplement U lease are not limited by the amount included in gross income with respect to the rent from such lease, but any excess of such deductions over such gross income shall be applied against other items of gross income in computing unrelated business net income taxable under section 421 (a).

Example. Assume the same facts as those in example (1) of § 29.423–3 (b). Assume also that for 1951 the organization pays taxes of $4,000 on the property, interest of $6,000 on its Supplement U lease indebtedness, and that the depreciation allowable for 1951 under section 23 (1) is $10,000. Under the facts set forth in example (1) of § 29.423–3 (b) and in the preceding sentence, the deductions to be taken into account for 1951 in computing unrelated business net income would be two-fifths of the total of the deductions of $20,000, that is, $8,000.

SEC. 424. TAXES OF FOREIGN COUNTRIES AND POSSESSIONS OF THE UNITED STATES (APPLICABLE TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1950—AS ADDED BY SECTION 301, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amount of income, war-profits, and excess-profits taxes imposed by foreign countries or possessions of the United States shall be allowed as a credit against the tax of an organization subject to the tax imposed by section 421 (a) to the extent provided in section 131; and in the case of the tax imposed by section 421 (a), the term "normal-tax net income" and the term "net income" as used in section 131 shall be read as "supplement U net income".

PAR. 18. The statement of procedure contained in F. R. Doc. 46–15357, appearing at page 177A–22, Part II, section 1, of the issue for September 11, 1946, as amended (26 CFR, Part 601; 14 F. R. 2063, 15 F. R. 6888), is hereby further amended by changing the part of § 601.17 *Forms*, paragraph (a) *Description*, relating to Form 990 to read as follows:

Form 990. Information return of organizations exempt from income tax (other than under sec. 101 (6), I. R. C., for accounting periods beginning after December 31, 1949).

Form 990–A. Information return of certain organizations exempt from income tax under sec. 101 (6), I. R. C., to be used for accounting periods beginning after December 31, 1949.

Form 990–T. Exempt organization business income tax return, to be filed by organizations subject to tax under Supplement U of chapter 1, I. R. C.

(53 Stat. 32; 26 U. S. C. 62)

[SEAL] JOHN B. DUNLAP,
Commissioner of Internal Revenue.

Approved: August 28, 1952.

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

[F. R. Doc. 52-9604; Filed, Sept. 2, 1952; 8:51 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 149, Amdt. 1]

CPR 149—SOUTHERN YELLOW PINE LUMBER

EXEMPTION OF CERTAIN SALES OF UNGRADED ROUGH SOUTHERN YELLOW PINE LUMBER

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this Amendment 1 to Ceiling Price Regulation 149 is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment to Ceiling Price Regulation 149 exempts from the ceiling price restrictions of this and other regulations all sales of ungraded rough Southern Yellow Pine lumber by the original producer to a sawmill, planing mill or concentration yard which buys such lumber to dry, or dress, or sort it for size, and to grade and thereafter sell it under the provisions of Ceiling Price Regulation 149. All other sales of Southern Yellow Pine lumber by original producers remain subject to all provisions of Ceiling Price Regulation 149.

Sales covered by this amendment are removed from the invoicing provisions of OPS regulations, but remain subject to a modified form of the record-keeping provisions of this regulation.

CPR 149 does not establish a ceiling price for ungraded rough lumber. Such a provision was omitted because of the difficulty of determining a ceiling that would be generally fair and equitable to the industry. The difficulty arises from the great variation in the quality of rough lumber cut by thousands of small mills. These variations in quality create wide dispersion of prices of ungraded rough lumber, even in normal times. It was recognized by the Director of Price Stabilization that the omission of ceiling prices for ungraded rough lumber in CPR 149 would require a change in business practice for those mills that customarily sold on a mill-run or ungraded basis. These mills would be required to sell their rough lumber as graded or partially graded, and it did not appear to OPS or to the Industry Advisory Committee that this change of industry practice would be burdensome. In view of the administrative difficulties that are being encountered and the complaints received by OPS, however, it appears necessary to conform the regulation to trade practices.

By exempting from the CPR 149 ceilings certain sales of ungraded rough lumber by the original producers to sawmills, planning mills, or concentration yards, the price of such lumber will be left open to negotiation between buyer and seller. In such transactions, the buyer is necessarily limited as to what he can pay by the controlled prices under which he must resell the lumber when it has been graded or remanufactured. No over all increase in the level of prices is anticipated under this amendment because when resold the lumber remains subject to the ceiling prices established by CPR 149.

In the formulation of this amendment, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

In the judgment of the Director of Price Stabilization, the provisions of this amendment are generally fair and equitable and are necessary to effectuate the purposes of Title IV of the Defense Production Act.

AMENDATORY PROVISIONS

Ceiling Price Regulation 149 is hereby amended in the following respects:

1. The heading of Article III is changed to read as follows: Article III—Grade Terms and Grading, Optional Methods of Selling Rough Lumber, Pricing Rules, and Exempt Sales.

2. A new section, 3.4, is added to Article III immediately following section 3.3, to read as follows:

SEC. 3.4 *Exemption of certain sales of ungraded rough Southern Yellow Pine lumber.* Notwithstanding any other provision of this regulation, all sales of ungraded rough Southern Yellow Pine lumber by the original manufacturer (producer) to a sawmill, planing mill or concentration yard which buys such lumber to dry, or dress, or sort it for size, and to grade and thereafter sell it under the provisions of Ceiling Price Regulation 149 are exempted from the ceiling price restrictions and invoicing provisions of this and any other ceiling price regulation. Such sales of ungraded rough lumber shall remain, however, subject to the record-keeping provisions of section 9.1 of this regulation, except that the records of such sales need not comply with the provisions of section 9.1 (a) (5).

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This Amendment 1 to Ceiling Price Regulation 149 is effective August 29, 1952.

NOTE: The record-keeping requirements of this amendment have been approved by the Bureau of the Budget, in accordance with the Federal Reports Act of 1942.

ELLIS ARNALL,
Director of Price Stabilization.

AUGUST 29, 1952.

[F. R. Doc. 52-9652; Filed, Aug. 29, 1952; 4:06 p. m.]

[General Ceiling Price Regulation, Amdt. 4 to Supplementary Regulation 11, Revision 2]

GCPR, SR 11—SOFT SURFACE FLOOR COVERINGS

SUSPENSION OF PRICE CONTROL ON FLOOR COVERINGS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this Amendment to Supplementary Regulation 11, Revision 2 to General Ceiling Price Regulation is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment suspends price controls on floor coverings covered by Supplementary Regulation 11, Revision 2, to the General Ceiling Price Regulation. The reasons for this action are set forth in the Statement of Considerations to an amendment being made concurrently in GOR 5, Exemptions and Suspensions of Certain Durable Goods and Related Items, suspending controls over these floor coverings at all levels of distribution.

In the formulation of this amendment there has been consultation with industry representatives, including trade association representatives, to the extent practicable, and consideration has been given to their recommendations.

AMENDATORY PROVISIONS

General Ceiling Price Regulation, Supplementary Regulation 11, Revision 2, as amended, is hereby amended by adding a new section, to follow section 13 and be numbered section 14, to read as follows:

SEC. 14. *Suspension of price controls on floor coverings.* (a) All provisions of this regulation are suspended on and after August 29, 1952. This suspension will continue until the Director of Price Stabilization terminates or modifies it. The suspension of this regulation does not operate to place the floor coverings affected under any other ceiling price regulation.

(b) You must, however, continue to comply with the record-keeping requirements of General Ceiling Price Regulation, section 16, as to all records you were required to have on August 28, 1952.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment is effective August 29, 1952.

ELLIS ARNALL,
Director of Price Stabilization.

AUGUST 29, 1952.

[F. R. Doc. 52-9661; Filed, Aug. 29, 1952; 4:08 p. m.]

[General Overriding Regulation 5, Revision 1]

GOR 5—EXEMPTIONS AND SUSPENSIONS OF CERTAIN CONSUMER DURABLE GOODS AND RELATED COMMODITIES

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this Revision 1 of General Overriding Regulation 5 is hereby issued.

STATEMENT OF CONSIDERATIONS

General Overriding Regulation 5 is an across-the-board regulation intended to exempt certain consumer durable goods and related commodities from price control. Most of the commodities thus exempted have been removed from price control because they are insignificant in the cost of living, in business costs, or in the cost of the defense effort, their prices have little or no effect upon the price ceilings of other commodities which are important to such costs, and because retaining them under control would have involved administrative burdens out of proportion to their importance. More detailed statements of the reasons for exempting the particular commodities previously exempted may be found in the Statements of Considerations accompanying the original regulation and its amendments.

These exemptions are continued in Article II of this revised GOR 5. In addition, Article III is now added and will be used to suspend the application of all ceiling price regulations to sales of specified commodities. The addition of Article III to GOR 5 makes it a suitable vehicle for carrying out the policy of suspending or otherwise relaxing price controls on commodities whose selling prices are substantially below ceilings and not expected to reach ceiling prices in the foreseeable future. In the judgment of the Director of Price Stabilization, price controls with respect to the sales of the commodities whose ceiling prices are suspended by this revision are not required at this time in order to carry out the purposes of the Defense Production Act of 1950, as amended. However, all records which were required to be prepared and preserved under applicable ceiling price regulations in effect prior to this suspension must continue to be preserved.

Since GOR 5 affects the commodities covered by it at all levels, it has seemed desirable to conform it in format to the extent possible with CPR 7, Retail Ceiling Prices for Certain Consumer Goods. To do this the listing of the items already in GOR 5 has been revised to conform more closely with the categories listed in the appendix to CPR 7. This, however, is a change only in form and not in substance. No new items are decontrolled by this revision.

Sections 100 and 101 which are the first sections in the new Article III suspend price controls over cotton linters.

Cotton linters are the residual fibers removed from cottonseed in the oil mills. It is estimated that 1,226,000 bales of linters valued at $116,000,000 were produced by the 350 cottonseed oil mills in operation in the United States during the 1950–51 season. Linters fall into two general types, felting linters used in making cotton felt and wadding, and chemical linters which are used in the preparation of cellulose for use in plastics, rayon, and explosives, as well as many other products.

Current ceiling prices, established under the General Ceiling Price Regulation, are 152 percent above the June 1950 level. In March 1951 the market broke and prices declined steadily until August 1951. From that date until the present, prices have continued steady with very little fluctuation. On June 24, 1952, average prices of both felting and chemical linters were more than 50 percent below GCPR ceilings, and were slightly below the support prices set for this product under the 1951 Cottonseed Price Support Program formulated by the Commodity Credit Corporation and the Production and Marketing Administration of the U. S. Department of Agriculture. It is probable that prices would have gone lower if the support program had not been in effect.

This downward movement in prices in the latter part of 1950–51 crop year took place in spite of the fact that a short cotton crop reduced the year-end carryover of linters from 452,000 bales on August 1, 1950, to 265,000 bales on August 1, 1951. The large cotton crop in the 1951–52 season, coupled with a decline of 18 percent in the domestic consumption of felting grades of linters will result in a carryover on August 1, 1952 considerably greater than the preceding year. In view of the estimates of cotton acreage in cultivation on July 1, 1952,

the declining exports of cotton linters, and the reduced consumption of chemical linters by the rayon industry, it is expected that adequate supplies of linters will be available for consumption needs in the 1952–53 season.

Accordingly, in the absence of radical changes in the international situation or in the size of the 1952–53 cotton crop, it is anticipated that cotton linters will not approach their GCPR prices during the next season.

Price support of linters in the 1952–53 season by the Commodity Credit Corporation will be at the same levels as for the past season.

For the foregoing reasons, in the judgment of the Director, price controls on cotton linters are not required at this time in order to carry out the purposes of the Defense Production Act of 1950, as amended. In accordance with section 412 of the Defense Production Act, as amended, the Director may, at any time, terminate or modify this suspension if he determines that such action is necessary in the interest of the stabilization program. In any event, the suspension will be terminated if the "Weekly Cotton Linters Review" by the U. S. Department of Agriculture reports that the current price for No. 2 linters has reached 19.5 cents per pound or that the current price for No. 6 linters has reached 11.5 cents per pound. These are roughly two weeks' maximum movement below the GCPR ceilings of 25.25 and 15 percent respectively.

All records which were required to be prepared and preserved under applicable ceiling price regulations in effect before this suspension must continue to be preserved.

As cotton linters do not fall in the category of consumer durable goods but are only used in the manufacture of certain consumer durable goods, the title of this revised CPR 5 is modified so as to cover consumer durable goods and related commodities.

In the formulation of this revised regulation there has been consultation with industry representatives, including trade association representatives, to the extent practicable, and consideration has been given to their recommendations.

REGULATORY PROVISIONS

ARTICLE I—GENERAL PROVISIONS

Sec.
1. What this revised regulation does.

ARTICLE II—EXEMPTIONS

2. Exemptions.
3. Infants novelties.
4. Household furniture.
5. Floor coverings.
6. Musical instruments.
7. General housewares.
8. Hair goods.
9. Buttons and buckles.
10. Notions and novelties.
11. Sporting goods.
12. Silverware, china, and glassware.
13. Jewelry and precious stones.
14. Christmas home decorations.
15. Equipment and supplies.
16. Pet supplies.
17. Smoker's items.
18. Miscellaneous.

ARTICLE III—SUSPENSIONS

Sec.
100. Suspensions.
101. Cotton linters.

AUTHORITY: Sections 1 to 101 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101–2110, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR 1950 Supp.

ARTICLE I—GENERAL PROVISIONS

SECTION 1. *What this revised regulation does.* The sections contained in Article II of this revised regulation exempt from any ceiling price regulation all sales of the commodities listed therein. The sections contained in Article III suspend the application of any ceiling price regulation, except for certain record keeping requirements, to all sales of the commodities listed therein.

ARTICLE II—EXEMPTIONS

SEC. 2. *Exceptions.* No ceiling price regulation heretofore issued or which may hereafter be issued by the Office of Price Stabilization shall apply to sales of the commodities listed in this article.

SEC. 3. *Infants' novelties.* The following infants' novelties: Self-feeding baby bottle holders.

SEC. 4. *Household furniture.* The following items of household furniture:

(a) Custom built household furniture. This exemption, however, does not apply to:

(1) Any sales of more than twelve dining chairs to a single purchaser.

(2) Any sale, other than dining chairs, or more than two articles of the same specifications to a single purchaser.

(3) More than two sales of articles, sets or suites of the same specifications. For the purpose of this exemption a change in the cover material or finish or an article of household furniture or any minor change shall not be considered as a change in specifications, or as constituting that article a custom built article.

(b) Hand decorated articles of furniture rebuilt from substantially different articles of used furniture.

(c) Spinning wheels.

(d) Custom made picture frames, when no more than four frames are made to the same specifications for any one customer.

(e) Hand painted pictures.

SEC. 5. *Floor coverings.* The following floor coverings: Hand-woven, imported Oriental rugs.

SEC. 6. *Musical instruments.* The following musical instruments: Custom built pipe organs. A custom built pipe organ is one designed, manufactured, assembled and installed specially upon the order and to meet the specifications of a particular purchaser. Such design, manufacture, assembly, and installation must be made with reference to the architecture and structure of the building in which installation is intended and will generally require structural and acoustical studies and general consideration of all architectural features so that the pipe organs when installed will function satisfactorily in accordance with the purchaser's specifications and as an integral part of the building.

SEC. 7. *General housewares.* The following general housewares:

Household hand bells and hand chimes.
Coffee and pepper grinders (household, hand operated).
Toothpicks.
Novelty glass ice cubes for chilling food and beverages without diluting.
Cork stoppers.

SEC. 8. *Hair goods.* The following hair goods:

Comb cleaners (household).
Hair rolls and wood hair curlers.
Wigs and toupees.

SEC. 9. *Buttons and buckles.* The following staple and novelties buttons and buckles:

Nonmetallic buttons for apparel.

SEC. 10. *Notions and novelties.* The following notions and novelties:

Comforter grippers.
Wood carved figures and animals.
Hand-made candles.
Hand fans.
Pin cushions.
Shoe horns.
Cork wire swabs.
Incense burners.
Place card holders.
Reading racks, except metal.
Party novelties made in part of candy or nuts.
Advertising novelties (such as pens, pencils, tooth picks, knives, cigarette lighters, leather back calendar pads, writing kits, playing cards) which are sold by a manufacturer to an advertiser who gives them away for purposes of publicity without cost to the recipient. These articles must be imprinted with the name of the advertiser or the name of the recipient before delivery by the manufacturer.
Figurines and ornamental statuary designed solely for ornamental use, but not including articles which may be used for any other purpose.
Novelty wall plaques, wall masks, and wall decorations designed solely for ornamental use, but not including framed pictures, or articles which may be used for any purpose other than ornamentation.
Minature size novelties made of glass, china, wood, plaster, etc., which have no tableware use and are made for collectors' purposes only, including miniature size decorative glass bottles other than perfume bottles.
Novelties made of alabaster, marble, onyx, shell, bark, bone, horn, butterfly wings, gourds and sea shells for decorative household use or for collectors' purpose.

SEC. 11. *Sporting goods.* The following sporting goods:

Bowling pins.
Clay targets used in artificial shooting.
Traps for clay target shooting.

SEC. 12. *Silverware, china and glassware.* The following silverware, china and glassware:

Ceramic decorative tiles for use as table ornaments.
Hand-decorated, used bottles.

SEC. 13. *Jewelry and precious stones.* The following jewelry and precious stones:

"Precious stones" and "precious jewelry". "Precious stone" means a natural pearl, diamond, ruby, sapphire or emerald. The term "precious stone" also includes any other genuine stone, including a semi-precious stone, any synthetic stone or any cultured pearl or group of cultured pearls

(combined in a single article, when the selling price for any such item by the cutter, wholesale dealer or importer is $25.00 or more. "Precious jewelry" means any article or mounting, a component part of which is a "precious stone" (or "precious stones") as defined in the preceding sentence when the value of the "precious stone" (or "precious stones") exceeds the value of the total of the other component parts of the finished article.

Costume jewelry made from sea shells or from nuts, seeds, pods or other natural vegetable products.

SEC. 14. *Christmas home decorations.* The following Christmas home decorations:

Christmas decorations made of natural vegetable products, cones, berries, pods, leaves, etc.

Christmas tree holders.

SEC. 15. *Equipment and supplies.* The following equipment and supplies:

Sphygmo-oscillometers. Devices for measuring blood pressure and patency of arteries, known as sphygmo-oscillometers.

Three dimensional sculptured, case or carved anatomical models (human, botanical, zoological) used for educational purposes.

Wire forms for floral wreaths and wire easels for floral displays.

Geographical and live or preserved biological material (human, botanical and zoological) used exclusively for educational purposes, including microscopic slides prepared with such material.

SEC. 16. *Pet supplies.* The following pet supplies:

Bird cages.

Bird cage stands.

Bird houses.

Dog and cat beds, cushions, mattresses and diners.

Dog license tags.

Pet toys.

SEC. 17. *Smoker's items.* The following smoker's items:

Cigarette rolling machines for home use.

Novelty wood cigarette boxes, when sold separately and not as a part of a set.

SEC. 18. *Miscellaneous.* The following miscellaneous items:

Sun dials.

Artificial or non-edible preserved grass, plants, stems, vines, fruits, flowers, leaves and foods.

Finished film strips and finished projection slides.

Figure ballons for advertising, display, publicity and similar purposes.

Non-electronic devices sold for the aid of hearing.

ARTICLE III—SUSPENSIONS

SEC. 100. *Suspensions.* The application of any ceiling price regulation heretofore or hereafter issued to sales of the commodities listed in this article shall be suspended until further notice by the Director of Price Stabilization. However, any record relating to a commodity as to which price control is suspended which you were required to have on the day of such suspension shall continue to be preserved and made available for examination by the Office of Price Stabilization for whatever period the regulation requiring you to have such record stipulated.

SEC. 101. *Cotton linters.* Cotton linters.

Effective date. This revised regulation is effective August 29, 1952.

ELLIS ARNALL,
Director of Price Stabilization.

AUGUST 29, 1952.

[F. R. Doc. 52-9653; Filed, Aug. 29, 1952; 4:07 p. m.]

[General Overriding Regulation 5, Revision 1, Amdt. 1]

GOR 5—EXEMPTIONS AND SUSPENSIONS OF CERTAIN CONSUMER DURABLE GOODS AND RELATED COMMODITIES

SUSPENSION OF RADIO AND TELEVISION

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 and Economic Stabilization Agency General Order No. 2, this Amendment to General Overriding Regulation 5, Revision 1 is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment to General Overriding Regulation 5, Revision 1 extends the coverage of Article III to suspend controls at all levels of distribution on the following additional commodities: Radios, radio-phonograph combinations, television receivers, television combinations, television antennae, boosters, accessories, record player attachments and phonographs.

This action is being taken in line with the policy of suspending or otherwise relaxing price controls on commodities whose selling prices are substantially below ceilings and are not expected to reach ceiling prices in the foreseeable future. In the judgment of the Director, price controls on the commodities covered by this amendment are not required at this time in order to carry out the purposes of the Defense Production Act of 1950, as amended. However, all records which were required to be prepared and preserved under the applicable ceiling price regulations in effect prior to this suspension must continue to be preserved.

Examination of the current selling prices and of the price movement of these commodities indicate that in general current selling prices are below the peak prices of January 1951, which in turn were lower than those in effect in June 1950. A composite weighted average wholesale price index of radio and television sets based on Bureau of Labor Statistics figures shows a decline from 100 in June, 1950 to 96.1 by January 1951 and 89.8 in June 1952. Since under CPR 22 and CPR 30 manufacturers could elect to use their highest selling prices in effect in the April 1–June 24, 1950, period as ceiling prices, it appears that the current selling prices average 10.2 percent below the ceiling prices which manufacturers have or may elect to establish. Retail prices have declined to an even greater extent.

Information available on television and radio parts indicates that their price behavior has closely followed that of radio receivers.

The information available on phonographs and the other commodities covered by this amendment other than radio and television sets, indicates that although they do not reflect price decreases of the same magnitude as radio and television, their prices have remained at the same level for the past 15 to 18 months. This area constitutes less than 3 percent of the radio and television industry and shows no indication of price increases out of proportion to the rest of the industry.

At present supply and demand of the commodities included in this action appear, in general, to be reasonably in balance. Current inventories are believed to be adequate to meet any foreseeable increase in demand. In addition, sufficient capacity and material is available to expand production above the levels currently programmed. Thus, there is no likelihood of rapid or significant rises in prices in the foreseeable future.

The Director may at any time terminate or modify this suspension if he determines that such action is necessary in the interests of the stabilization program. In any event, the suspension will be terminated on the basis of the criteria described below.

The Office of Price Stabilization will construct a composite wholesale price index for radio and television receivers weighted in proportion to their respective sales volume based on price information to be supplied by the industry.

Suspension on all items covered by this amendment will be terminated when the composite price index for radio and television receivers reaches 97 percent of the January 1951 level. Based on current prices, the index would have to rise 3.8 percent to reach the point for termination of suspension. Special attention will be given to table model radios because their prices have been somewhat firmer than prices for other products of this industry.

In the formulation of this amendment there has been consultation with industry representatives, including trade association representatives, to the extent practicable, and consideration has been given to their recommendations.

AMENDATORY PROVISIONS

General Overriding Regulation 5, Revision 1, is hereby amended by adding new sections 102 through 104 to read as follows:

SEC. 102 *Radios.*

Radio receivers.

Radio-phonograph combinations.

Parts of the foregoing, including radio cabinets and parts thereof.

SEC. 103 *Television sets and television accessories.*

Television receivers.

Television combinations, including combinations with radio or phonograph or both.

Television antennae, boosters, accessories.

Parts of the foregoing, including television cabinets and parts thereof.

SEC. 104. *Phonographs, recorders and related commodities.*

Record player attachments.

Phonographs.

Magnetic recorders, tape or wire (not including office equipment).

Tape and wire for magnetic recording.

Parts of the foregoing.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment is effective August 29, 1952.

ELLIS ARNALL,
Director of Price Stabilization.

AUGUST 29, 1952.

[F. R. Doc. 52-9654; Filed, Aug. 29, 1952; 4:07 p. m.]

[General Overriding Regulation 5, Revision 1, Amdt. 2]

GOR 5—EXEMPTIONS AND SUSPENSIONS OF CERTAIN CONSUMER DURABLE GOODS AND RELATED COMMODITIES

SUSPENSION OF WOOL AND WOVEN FLOOR COVERINGS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 and Economic Stabilization Agency General Order No. 2, this Amendment to General Overriding Regulation 5, Revision 1, is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment to General Overriding Regulation 5, Revision 1, suspends controls at all levels of distribution for all soft surface floor coverings made entirely of wool or falling within the categories of chenille, wilton, velvet, axminster, and punched felt. These are the same floor coverings as are now covered at the manufacturer's level by Supplementary Regulation 11 to the General Ceiling Price Regulation.

This action is taken in line with the policy of suspending or otherwise relaxing price controls on commodities whose selling prices are substantially below ceiling prices and are not expected to reach ceiling prices in the forseeable future. In the judgment of the Director, price controls on the commodities covered by this amendment are not required at this time in order to carry out the purposes of the Defense Production Act of 1950, as amended. However, all records which were required to be prepared and preserved under applicable ceiling price regulations in effect prior to this suspension must continue to be preserved.

The General Ceiling Price Regulation established ceiling prices for soft surface floor coverings upon the basis of prices in effect between December 19, 1950 and January 25, 1951. Because of the sharp increase in carpet wool prices, new ceiling prices were established for manufacturers for woven soft surface floor coverings at a level 15 percent higher than their highest selling prices between December 19, 1950, and January 15, 1951. This was accomplished by SR–11 to the GCPR, effective on March 13, 1951. On December 19, 1951, because of the drop in carpet wool prices below their pre-Korean level, ceiling prices were reduced by withdrawing the increase of 15 percent previously granted. At the retail level, CPR–7 replaced the General Ceiling Price Regulation.

According to the best available information, manufacturers' prices of the woven floor coverings covered by SR–11 to the GCPR have dropped over 30 percent from their peak of April and May 1951. They are currently about 23 percent below ceiling. At retail, the two types of woven floor coverings on which the Bureau of Labor Statistics collects retail price data, are more than 15 percent below their peak of June 1951.

The price softness is caused by declines in the prices of raw materials, a shift to substitute materials for imported carpet wool and consumer resistance to high prices of soft surface floor coverings. The decline in the price of imported carpet wool may be illustrated by a typical grade of India carpet wool, the price of which climbed from $0.946 per pound in bond clean basis in May of 1950, to $2.225 in March of 1951, and then dropped to $0.628 in May of 1952. The July 1952 level was $0.738. The shift from the use of imported carpet wools to the use of rayon was marked. In 1949, the industry used only 2,700,000 pounds of carpet rayon; in 1951, it used 31,600,000 pounds. The price of rayon remained relatively steady.

Soft market conditions have been reflected in all available data on production and sales of soft surface floor coverings. Production has dropped from 7 million square yards in May 1950 to 5 million in May 1952. Manufacturers' inventories were 13.4 million square yards in May 1952, or substantially more than 2 months' current production.

Although a general increase in the price of woven floor coverings has been announced by some manufacturers as the result of recent wage increases and relatively minor increases in the cost of carpet wool, selling prices are still far below ceiling prices and are not expected to approach the ceiling level within the foreseeable future.

The Director may at any time terminate or modify this suspension if he determines that such action is necessary in the interests of the stabilization program. Similarly, the Director may terminate this suspension in case of significant price increase of important raw materials, such as carpet wool, or rayon and cotton carpet yarns. In any event, the suspension will be terminated on the basis of the criteria described below.

The Office of Price Stabilization will compile a monthly index of manufacturers' prices of woven floor coverings. If the price level of January 1951 is taken as 100, the index for June 1952 was 77. The announced increases are expected to bring the index to about 81. The suspension on all items covered by this amendment will be terminated when this index reaches the figure of 88.

In the formulation of this amendment, there has been consultation with industry representatives, including trade association representatives, to the extent practicable, and consideration has been given to their recommendations.

AMENDATORY PROVISIONS

General Overriding Regulation 5, Revision 1, is hereby amended by adding a new section to read as follows:

SEC. 105. *Floor coverings.* The following floor coverings: Soft surface floor coverings made entirely of wool or falling within the categories of chenille, wilton, velvet, axminster, and punched felt.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment is effective August 29, 1952.

ELLIS ARNALL,
Director of Price Stabilization.

AUGUST 29, 1952.

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[General Overriding Regulation 5, Revision 1, Amdt. 3]

GOR 5—EXEMPTIONS AND SUSPENSIONS OF CERTAIN CONSUMER DURABLE GOODS AND RELATED COMMODITIES

SUSPENSION OF BEDDING

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 and Economic Stabilization Agency General Order No. 2, this Amendment 3 to General Overriding Regulation 5, Revision 1 is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment to General Overriding Regulation 5, Revision 1, extends the coverage of Article III to suspend controls at all levels of distribution on the following additional commodities: Upholstered dual purpose sleeping equipment such as sofa-beds, and studio-couches, metal beds, bedding, and bed pillows.

This action is being taken in line with the policy of suspending or otherwise relaxing price controls on commodities whose selling prices are substantially below ceilings and are not expected to reach ceiling prices in the foreseeable future. In the judgment of the Director, price controls on the commodities covered by this amendment are not required at this time in order to carry out the purposes of the Defense Production Act of 1950, as amended. However, all records which were required to be prepared and preserved under the applicable ceiling price regulations in effect prior to this suspension must continue to be preserved.

Current selling prices of these commodities are substantially below the peak prices of January 1951. A composite weighted average wholesale index using Bureau of Labor Statistics figures on innerspring mattresses, coil bedsprings, metal beds, and sofa beds, which comprise the bulk of the production in the bedding and related industries covered by this amendment shows a decline of 6.7 percent from 121.7 in January 1951 to 113.5 in July 1952. Innerspring mattresses declined 8.6 percent, coil bedsprings declined 3.3 percent, metal beds declined 7.8 percent, and sofa beds declined 1.6 percent. The decline from ceiling prices is even greater. Most manufacturers of these products are under the General Ceiling Price Regulation, but have the option of establishing ceiling prices under Ceiling Price Regulation 22 which, generally, would yield higher prices. However, the selling

prices never exceeded the GCPR levels and have subsequently declined. Retail prices have declined at least to the same extent.

Studies made by the Office of Price Stabilization indicate that bedding manufacturers have no backlog of unfilled orders, that unit volume of sales has fallen from that of 1951 and that the prices of most raw materials used in bedding have stabilized below the levels existing at the time of the issuance of the GCPR. There are no indications of increases in the foreseeable future which would raise prices to the level where recontrol would be necessary.

In order to keep informed of the trend of prices, a composite index will be maintained of the prices of the principal products of the bedding and related industries based on data to be supplied by manufacturers. A separate index will be maintained of the prices of dual purpose sleeping equipment alone. In both indices the present ceiling price level will be taken as 100.

The Director may at any time terminate or modify this suspension if he determines that such action is necessary in the interests of the stabilization program. In any event this suspension will be terminated if the composite index reaches the figure of 97. This index is now approximately 93. Suspension on dual purpose sleeping equipment will also be terminated if the separate index of this group of commodities reaches 97. This separate index is now approximately 94.

In the formulation of this amendment, there has been consultation with industry representatives, including trade association representatives, to the extent practicable, and consideration has been given to their recommendations.

AMENDATORY PROVISIONS

General Overriding Regulation 5, Revision 1, is hereby amended by adding the following new sections 106–109:

SEC. 106. *Upholstered dual purpose sleeping equipment.* All upholstered dual purpose sleeping equipment, including upholstered sofa-beds, single and double studio couches, and, if they open into beds, love seats, chairs, and davenports.

SEC. 107. *Metal beds.* Individual metal beds.

SEC. 108. *Bedding.*

Mattresses, including rubber mattresses.
Bed springs.
Box springs.
Mattress pads.
Headboards.
Cots, wood and metal, including bunks.

SEC. 109. *Bed pillows.* All bed pillows.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment is effective August 29, 1952.

ELLIS ARNALL,
Director of Price Stabilization.

AUGUST 29, 1952.

[F. R. Doc. 52-9656; Filed, Aug. 29, 1952; 4:07 p. m.]

[General Overriding Regulation 5, Revision 1, Amdt. 4]

GOR 5—EXEMPTIONS AND SUSPENSIONS OF CERTAIN CONSUMER DURABLE GOODS AND RELATED COMMODITIES

ADDITIONAL EXEMPTIONS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this Amendment 4 to General Overriding Regulation 5, Revision 1, is hereby issued.

STATEMENT OF CONSIDERATIONS

In line with the need for focusing the interests and energies of the Office of Price Stabilization on the major areas of commodities and services affecting the cost of living and business costs, this amendment to GOR 5, Rev. 1, decontrols various commodities which do not enter significantly into the cost of living of the average American family or into business costs and the continued control of which involves difficulties either for this agency or the sellers of these commodities which are disproportionate in relationship to the value of such control to the stabilization program.

Included in this amendment are sterling silverware, sterling hollowware, and jewelry. While total dollar volume sales of all these commodities is substantial, they are luxury products which do not affect the cost of living of the average American family. The changing shifts in style in jewelry and the necessity arising therefrom of constantly establishing ceiling prices for new models and reporting thereon has made price control particularly burdensome to this industry. Decontrol of these luxury items will not affect the price control program and will be of substantial benefit to the sellers of these commodities.

All non-metallic buttons have already been decontrolled. Since these buttons constitute the largest portion of the button industry, continued control over buckles and the small balance of buttons not included within the previous exemption would create considerable administrative difficulties for the sellers of such buttons and buckles. Consequently, it has been decided to broaden the previous exemption and to decontrol all staple and novelty buttons and buckles.

For similar reasons, all Christmas home decorations are now decontrolled. All hand-made glassware has already been decontrolled. Many Christmas tree decorations are made of hand-made glassware. Also decontrolled are Christmas decorations made of natural vegetable products. To leave under control the small balance of Christmas home decorations not included within the two previous actions seems unnecessarily burdensome. Consequently, all Christmas home decorations are placed outside control.

Signs are decontrolled because of the tremendous administrative burden price control imposes on the industry. For some period of time the sign industry has been requesting decontrol of all signs. In the case of outdoor signs, a tremendous volume of business is represented by signs made to individual specifications. Establishing a ceiling price for each new sign under our regulations by relating the new sign to a base period sign imposes a tremendous accounting and clerical burden on the industry. Since for most businesses the purchase of a sign is a one-time occurrence the cost of a sign does not enter significantly into their cost of operation. In view, therefore, of the small effect which can be anticipated upon business costs if signs are decontrolled and the burden continued control represents, it has been decided to exempt all signs from further control. Display and display fixtures are so closely related to signs it has been thought desirable to give them parallel treatment.

Among the other commodities included within this amendment as meeting the criteria for decontrol are fireplace equipment, chalk, lead pencils, name plates, textile color cards not sold for resale, artists' supplies and ecclesiastical ware including statuary and church goods. The reasons for the action are self evident in the case of all these commodities.

In the formulation of this amendment there has been consultation with industry representatives, including trade association representatives, to the extent practicable, and consideration has been given to their recommendations.

AMENDATORY PROVISIONS

1. Section 7 is amended to read as follows:

SEC. 7. *Housewares.* The following housewares:

Fireplace equipment. This includes among other things all portable mantles, portable artificial fireplaces, screens, andirons, pokers, fireplace shovels, and electric logs.
Household hand bells and hand chimes.
Coffee and pepper grinders (household, hand operated).
Toothpicks.
Novelty glass ice cubes for "chilling without diluting" food and beverages.
Cork stoppers.

2. Section 9 is amended to read as follows:

SEC. 9. *Staple and novelty buttons and buckles.* All buttons and buckles.

3. Section 12 is amended by adding the following unnumbered paragraphs at the end thereof:

Sterling flatware.
Sterling hollowware.

4. Section 13 is amended to read as follows:

SEC. 13. *Jewelry and precious stones.*

Jewelry: This includes all precious jewelry and precious metal jewelry, costume jewelry, jewelry mountings, wedding rings, religious jewelry, watch attachments, dresser sets and military sets, and men's jewelry. It also includes unfitted compacts, cigarette cases, and miscellaneous cases used as personal accessories such as cigar cases, match cases, pill boxes and snuff boxes. It does not include watches or old clocks. "Precious Jewelry" means any article or mounting, a component part of which is a "precious stone" (or "precious stones") as defined in the subparagraph immediately following when the value of the "precious stone" (or "precious stones") exceeds the value of the

total of the other component parts of the finished article.

Precious stones: "Precious stone" means a natural pearl, diamond, ruby, sapphire or emerald. The term "precious stone" also includes any other genuine stone, including a semi-precious stone, any synthetic stone or any cultured pearl or group of cultured pearls (combined in a single article), when the selling price for any such item by the cutter, wholesale dealer or importer is $25.00 or more.

5. Section 14 is amended to read as follows:

SEC. 14. *Christmas home decorations.* All Christmas home decorations, including stands.

6. Section 15 is amended by adding the following unnumbered paragraphs at the end thereof:

Chalk.
Wood cased and paper wrapped pencils.
Signs and advertising displays.
Name plates.
Textile color cards, not sold for resale.
Artists' supplies.

7. Section 18 is amended by adding the following unnumbered paragraph at the end thereof:

Ecclesiastical ware, including statutory and church goods.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment to General Overriding Regulation 5, Revision 1, is effective August 29, 1952.

ELLIS ARNALL,
Director of Price Stabilization.

AUGUST 29, 1952.

[F. R. Doc. 52-9657; Filed, Aug. 29, 1952; 4:07 p. m.]

[General Overriding Regulation 5, Revision 1, Amdt. 5]

GOR 5—EXEMPTIONS AND SUSPENSIONS OF CERTAIN CONSUMER DURABLE GOODS AND RELATED COMMODITIES

ADDITIONAL EXEMPTIONS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this amendment to General Overriding Regulation 5, Revision 1 is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment adds vitrified chinaware and hand-made table, kitchen and art glassware manufactured in the United States, its territories and possessions, to the commodities exempted from price control by Article II, General Overriding Regulation 5, Revision 1.

These commodities, although not insignificant, are, when used for household purposes, minor luxury items for which there are available lower cost substitutes in good supply. Annual sales of each are less than 45 million dollars. Over the past several years both commodities have tended to lose their market and suffer a decline in sales volume; in one case to machine-made glassware and in the other to semi-vitreous and plastic dinnerware. Sales of hand-made glassware in 1950, for example, were 17 percent lower than sales in 1948, which may be contrasted with an increase of 13 percent in sales of machine-made glassware.

There is little likelihood that exemption would result in any significant changes in the price levels of these commodities. Further, these items are not significant in business costs, the cost of living, or the defense program. Exemption would not cause any diversion of manpower or materials from other uses, especially in view of the declining trends of production, increased inventories, and less expensive competitive products. Furthermore, the administrative burdens outweigh the benefits to the stabilization program from maintaining controls on these items.

In the opinion of the Director, the provisions of this amendment are generally fair and equitable, are necessary to effectuate the purposes of Title IV of the Defense Production Act of 1950, as amended, and comply with all the applicable requirements of that act. In view of the nature of this amendment the Director has not found it necessary or practicable to consult formally with industry representatives. In the formulation of this amendment, however, there has been consultation with industry representatives, including trade association representatives and consideration has been given to their recommendations.

AMENDATORY PROVISIONS

Section 12 of General Overriding Regulation 5, Revision 1, is amended by adding the following unnumbered paragraphs:

Nitrified chinaware manufactured in the United States, its Territories and Possessions.

Hand-made table, kitchen and art glassware and hand-made blanks for such glassware, manufactured in the United States, its Territories and Possessions. Glassware and blanks are "hand-made" if they are gathered from a furnace by hand and mouth-blown or hand-pressed.

(Sec. 704, 64 Stat. 816, as amended, 50 U. S. C. App. Sup. 2154)

Effective date. This Amendment 5 to GOR 5, Revision 1, is effective August 29, 1952.

ELLIS ARNALL,
Director of Price Stabilization.

AUGUST 29, 1952.

[F. R. Doc. 52-9658; Filed, Aug. 29, 1952; 4:08 p. m.]

[General Overriding Regulation 14, Amdt. 21]

GOR 14—EXCEPTED AND SUSPENDED SERVICES

SUSPENSION OF RENOVATING AND REPAIRING BEDDING

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this Amendment 21 to General Overriding Regulation 14, is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment adds to the list of services suspended from controls those services involved in the renovating and repairing of upholstered dual purpose sleeping equipment such as sofa beds and studio couches, metal beds, bedding, and bed pillows.

By Amendment 3 to General Overriding Regulation 5, which is being issued simultaneously with this amendment, controls on the sale of the foregoing commodities are suspended because their selling prices are substantially below ceilings and are not expected to reach ceilings in the foreseeable future. The reasons for that suspension action are more fully stated in the Statement of Considerations of Amendment 3 to GOR 5.

The service charges for renovating and repairing these products are generally also below ceilings. In general, a low level of selling prices of commodities has a depressing effect on the charges for services connected with the manufacture or processing of these commodities. As long as the prices of these commodities do not rise to any significant degree, resistance against increased charges for the services will continue. And since it is not anticipated that the prices of the commodities will reach ceilings in the foreseeable future, it appears that market forces will operate to prevent appreciable increases in the service charges as well.

Cleaning services, such as dry cleaning and laundering, are supplied by an independent industry from the one affected by this amendment and remain subject to price control.

In the judgment of the Director, the continuance of controls over the services suspended by this amendment is not required at this time in order to carry out the purposes of the Defense Production Act of 1950, as amended. Should sudden unwarranted increases result from this relaxation of control, this suspension may be terminated or modified at any time. In any event the Director of Price Stabilization will terminate this suspension if controls are reactivated over bedding.

In view of the nature of this action, special circumstances have made consultation with industry representatives, including trade association representatives, impracticable.

AMENDATORY PROVISIONS

General Overriding Regulation 14, as amended, is amended by adding a new subparagraph (3) to paragraph (b) of section 4, to read as follows:

(3) Renovating and repairing of the following commodities:

Upholstered dual purpose sleeping equipment. All upholstered dual purpose sleeping equipment, including upholstered sofa-beds, single and double studio couches, and, if they open into beds, love seats, chairs, and davenports.

Metal beds. Individual metal beds.

Bedding. Mattresses, including rubber mattresses, bed springs, box springs, mattress pads, headboards, cots, wood and metal, including bunks.

Bed pillows. All bed pillows.

The foregoing services do not include mere cleaning, such as dry cleaning and laundering.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment is effective August 29, 1952.

ELLIS ARNALL,
Director of Price Stabilization.

AUGUST 29, 1952.

[F. R. Doc. 52-9659; Filed, Aug. 29, 1952; 4:08 p. m.]

[General Overriding Regulation 34]

GOR 34—EXEMPTION OF CERTAIN LUMBER AND WOOD PRODUCTS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this General Overriding Regulation No. 34 is hereby issued.

STATEMENT OF CONSIDERATIONS

This General Overriding Regulation 34 is issued to provide a vehicle for exempting certain lumber, wood products, and connected services from price controls. All lumber items, wood products, and connected services totally exempted from price control will be included in this General Overriding Regulation. It is contemplated that OPS will publish a number of exemption actions pertaining to lumber, wood products, and connected services, and the issuance of this GOR at this time serves to establish a single document for the listing of such actions.

The present action specifically exempts from price control all softwood and hardwood logs and bolts, except excelsior bolts, produced in the United States east of the 100th meridian. Logs and bolts are tree segments suitable for manufacture into lumber, veneers, poles, piling, or other wood products, such as the turned and shaped wood products covered by Ceiling Price Regulation 95, shingles, staves, heading, turning squares, or small dimension. The action does not apply to sales of pulpwood, or chemical or extract wood.

There are several reasons for the present action. First, effective grading standards have not been developed east of the 100th meridian for logs or bolts. The absence of appropriate grading standards has made the establishment of tailored ceilings unfeasible and the enforcement of general ceilings most difficult. Complex factors affecting values have impeded the development of effective standards. These factors include the industry practice of selling logs and bolts on an unsorted or ungraded basis; the variable distribution and significance of detectable defects; size variations; and quality differences resulting from varying climatic and soil conditions. Moreover, even if appropriate grading rules of general applicability could be devised by OPS, it would take considerable time to achieve their proper use by the thousands of buyers and sellers concerned. Second, this action will not be inflationary, since log and bolt prices will be stabilized by ceilings in effect on products produced from them. Third, this exemption makes the treatment of the logs and bolts covered by this action consistent with the action taken in Supplementary Regulation 17 to the General Ceiling Price Regulation, whereby stumpage (standing timber) was exempted from price controls because the unique and complex character of the commodity made the administration of controls unfeasible.

FINDINGS OF THE DIRECTOR OF PRICE STABILIZATION

In the judgment of the Director of Price Stabilization, the provisions of this General Overriding Regulation are generally fair and equitable and are consistent with the purposes of the Defense Production Act of 1950, as amended.

In formulating this General Overriding Regulation, the Director has consulted with representatives of industry and has given consideration to their recommendations.

REGULATORY PROVISIONS

Sec.
1. What this General Overriding Regulation does.
2. Exemptions.
3. Definitions.

AUTHORITY: Sections 1 to 3 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101-2110, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR 1950 Supp.

SECTION 1. *What this General Overriding Regulation does.* This General Overriding Regulation exempts from all price controls the lumber, wood products, and services specified in this regulation.

SEC. 2. *Exemptions.* No price regulation issued heretofore and no price regulation which may be issued in the future by the Office of Price Stabilization shall apply to sales of the following commodities or services:

(a) Logs or bolts, but not services connected therewith, produced in the United States east of the 100th Meridian and sold for manufacture into lumber, veneer, poles, piling, or other wood products such as the turned or shaped wood products covered by CPR 95, shingles, staves, heading, turning squares, or small dimension.

SEC. 3. *Definitions.* The terms used in this General Overriding Regulation shall be construed as follows:

(a) As used in paragraph (a) of section 2:

(1) "Log" or "bolt" means a tree segment suitable for manufacture into lumber, veneer, poles, piling, or other wood products such as the turned or shaped wood products covered by CPR 95, shingles, staves, heading, turning squares, or small dimension. These terms do not include pulpwood, excelsior bolts, or chemical or extract wood.

Effective date. This General Overriding Regulation is effective August 29, 1952.

ELLIS ARNALL,
Director of Price Stabilization.

AUGUST 29, 1952.

[F. R. Doc. 52-9660; Filed, Aug. 29, 1952; 4:08 p. m.]

Chapter XXI—Office of Rent Stabilization, Economic Stabilization Agency

[Rent Regulation 1, Amdt. 73 to Schedule A]

[Rent Regulation 2, Amdt. 71 to Schedule A]

RR 1—HOUSING

RR 2—ROOMS IN ROOMING HOUSES AND OTHER ESTABLISHMENTS

SCHEDULE A—DEFENSE-RENTAL AREAS

MONTANA

These amendments are issued as a result of joint certification(s) pertaining to critical defense housing areas by the Secretary of Defense and the Director of Defense Mobilization under section 204 (l) of the Housing and Rent Act of 1947, as amended, and a determination as to the relaxation of real estate construction credit controls under section 204 (m) of said act.

Effective September 4, 1952, Rent Regulation 1 and Rent Regulation 2 are amended so that the item(s) of Schedule A read(s) as set forth below.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

Issued this 28th day of August 1952.

TIGHE E. WOODS,
Director of Rent Stabilization.

State and name of defense-rental area	Class	County or counties in defense-rental area under regulation	Maximum rent date	Effective date of regulation
Montana				
(175d) Deer Lodge County.	A	Deer Lodge County	Jan. 1, 1952	Sept. 4, 1952

[F. R. Doc. 52-9592; Filed, Sept. 2, 1952; 8:48 a. m.]

[Rent Regulation 3, Amdt. 80 to Schedule A]

[Rent Regulation 4, Amdt. 24 to Schedule A]

RR 3—HOTELS

RR 4—MOTOR COURTS

SCHEDULE A—DEFENSE-RENTAL AREAS

MONTANA

These amendments are issued as a result of joint certification(s) pertaining to critical defense housing areas by the Secretary of Defense and the Director of Defense Mobilization under section 204 (1) of the Housing and Rent Act of 1947, as amended, and a determination as to the relaxation of real estate construction credit controls under section 204 (m) of said act.

Effective September 4, 1952, Rent Regulation 3 and Rent Regulation 4 are amended so that the item(s) of Schedule A read(s) as set forth below.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

Issued this 28th day of August 1952.

TIGHE E. WOODS,
Director of Rent Stabilization.

Name of defense-rental area	State	County or counties in defense-rental area under regulation	Maximum rent date	Effective date of regulation
(175d) Deer Lodge County.	Montana	Deer Lodge County	Jan. 1, 1953	Sept. 4, 1952

[F. R. Doc. 52-9593; Filed, Sept. 2, 1952; 8:48 a. m.]

TITLE 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans' Administration

PART 21—VOCATIONAL REHABILITATION AND EDUCATION

SUBPART C—TRAINING FACILITIES

MISCELLANEOUS AMENDMENTS

1. Section 21.433 is revised to read as follows:

§ 21.433 *Payment to institutions.* The manager of a Veterans' Administration regional office is authorized to pay to the approved institution for each eligible veteran enrolled therein for a full-time or part-time course of education or training the proper charge for tuition and incidental fees or other allowable expense and for such books, supplies, and equipment issued to the trainee as are generally required for the successful pursuit and completion of the course by other students in the institution for the period covered by the properly certified voucher or invoice, subject to the provisions of §§ 21.442 through 21.449 and 21.539 for Part VII trainees and §§ 21.467 through 21.479, 21.484, 21.485, 21.493 through 21.495, 21.503 through 21.511, 21.516 through 21.519, 21.520, 21.530 through 21.532, 21.539, 21.540, 21.548, 21.549, and 21.557 through 21.559 for Part VIII trainees.

2. In § 21.446, the headnote and paragraph (d) are amended to read as follows:

§ 21.446 *Adjustment of tuition payments to nonprofit educational institutions (see limitations in § 21.479).*

* * *

(d) *Additional facilities.* If the above information shows that the institution is exceeding its normal program as is evidenced by an increase in the enrollment over that for the school year 1939–40, and the institution is being required to furnish additional facilities, personnel, or supplies, which are required for veterans under Part VII, Veterans Regulation 1 (a), as amended (38 U. S. C. ch. 12), the manager of the Veterans' Administration regional office is authorized to contract for such additional facilities and to provide for payment of adjusted tuition on any one of the bases set forth in §§ 21.473, 21.474, and 21.475, except as provided in § 21.479, provided the basis selected has been approved for Part VIII trainees in that institution. Where there has not been an increase in enrollment over that for the school year 1939–40, the institution is not considered to be exceeding its normal program nor furnishing additional facilities, and there is no authority to provide for payment of adjusted tuition as set forth in §§ 21.473, 21.474, and 21.475.

* * * * *

3. Section 21.473 is revised to read as follows:

§ 21.473 *Tuition on the basis of $15 a month, $45 a quarter, or $60 a semester.* Institutions which do not charge any tuition or whose "customary cost of tuition" is insufficient compensation to permit the furnishing of education and training for veterans, if they elect, may be paid in accordance with Veterans' Administration regulations as much as $15 a month, $45 a quarter, or $60 a semester for each veteran enrolled in a full-time course under Part VIII (or Part VII), Veterans Regulation 1 (a), as amended (38 U. S. C. ch. 12), or the pro rata portion thereof for a part-time course: *Provided,* That the proper official requests such payment in accordance with the provisions of § 21.478. (See also § 21.479.) Institutions which are permitted to receive adjusted tuition payments on this basis may, in addition, be paid such customary fees and other charges as are set forth in § 21.471 (c).

4. In § 21.474, paragraph (a) is amended to read as follows:

§ 21.474 *Adjusted tuition on the basis of the nonresident tuition.* (a) Educational institutions which have nonresident tuition applicable to all nonresident students and whose "customary cost of tuition" is insufficient compensation to permit the institution to furnish education and training for veterans may, in accordance with the provisions of paragraph 5, Part VIII, Veterans Regulation 1 (a), as amended (38 U. S. C. ch. 12) apply to the Administrator for an adjustment of tuition, and the Administrator, if he finds that the customary tuition charges are insufficient to permit the institution to furnish education or training to eligible veterans or inadequate compensation therefor, may provide for the payment of such adjusted tuition as will not exceed the estimated cost of teaching personnel and supplies for instruction. Effective September 1, 1949, applications for adjustment of tuition on the nonresident tuition basis will be made by educational institutions in accordance with § 21.478. (See also §21.479.) If the application is approved by the Veterans' Administration and it is determined that such nonresident tuition rates are not in excess of the cost of teaching personnel and supplies for instruction, the Veterans' Administration will make payment of adjusted tuition on the basis of the approved nonresident tuition for each veteran enrolled in a full-time course under Part VIII, in an amount equivalent to such nonresident tuition or the pro rata portion thereof, for a veteran enrolled in a part-time course: *Provided,* That the charges are not in conflict with existing laws or other legal requirements. Institutions which are permitted to receive adjusted tuition payments on this basis may, in addition, be paid such customary fees and other charges as are set forth in § 21.471 (c). Where an institution requests and is permitted to charge adjusted tuition on the basis of the nonresident fee under this section for the ordinary school year, it may also charge adjusted tuition for a summer quarter or session equivalent to the customary nonresident fee charged for the summer session: *Provided,* That in no case will the payment of adjusted tuition based on the nonresident fee for a summer session exceed the pro rata portion of the nonresident fee for the ordinary school year that the length of the summer session or the normal number of hours of credit for the summer session bears to the length of the ordinary school year or the normal number of hours of credit for the ordinary school year as determined by the institution, whichever is the greater.

* * * * *

5. Section 21.475 is revised to read as follows:

§ 21.475 *Adjusted tuition on basis of estimated cost of teaching personnel and supplies for instruction.* Where charges permitted under §§ 21.472, 21.473, or 21.474 are claimed by the institution to be insufficient compensation to permit the institution to furnish education or training to eligible veterans, the institution, upon proper application in accordance with § 21.478 (see § 21.479), may request and the manager is authorized to contract for the payment on the basis of the estimated cost of teaching per-

sonnel and supplies for instruction. Educational institutions which are permitted to receive adjusted tuition payments on the basis of the estimated cost of teaching personnel and supplies for instruction may, in addition, be paid such customary fees and other charges as are set forth in § 21.471 (c).

6. Section 21.477 is revised to read as follows:

§ 21.477 *Veterans' Administration consideration of request made by educational institution which has no customary fees but has an over-all customary tuition charge (see limitations in § 21.479).* Where an educational institution has no customary fees but has an over-all customary tuition charge for resident students which includes charges normally covered in other institutions by separate fee (not tuition) charges, the institution may request consideration of a further adjustment to compensate for that portion of the customary tuition which would be paid if the tuition and fee charges were separate. Such a request should be submitted with a full statement of the facts to the director, training facilities service, vocational rehabilitation and education, central office, Veterans' Administration, Washington 25, D. C., through the appropriate Veterans' Administration regional office. Upon consideration of all the necessary facts, the director, training facilities service, may find that a further adjustment of compensation is appropriate, and the regional office will be advised as to the amount of the adjusted compensation which may be authorized: *Provided however,* That the provisions of § 21.479 are for application.

7. In § 21.478, the headnote and paragraphs (c), (d), and (g) are amended to read as follows:

§ 21.478 *Request for adjusted tuition (see limitations in § 21.479).* * * *

(c) Where the educational institution applies for adjusted tuition on the basis of § 21.473 and it is determined to be eligible to receive adjusted compensation in accordance with Veterans' Administration regulations, the institution's application will be approved except as provided in § 21.479 if otherwise in order and the institution will be notified accordingly, since it has been determined administratively that the payment of other than customary tuition charges to nonprofit institutions on the basis of § 21.473 does not exceed the estimated cost of teaching personnel and supplies for instruction prescribed in paragraph 5, Part VIII, Veterans Regulation 1 (a), as amended (38 U. S. C. ch. 32).

(d) Where the adjustment in tuition is requested on the basis of the nonresident tuition, the institution will provide a certified statement of the nonresident tuition fee or fees which were in effect on June 22, 1944. Where such nonresident tuition fees in effect June 22, 1944, have not been increased more than 25 percent subsequent to June 22, 1944, it has been determined administratively that the payment of adjusted tuition on the basis of such nonresident tuition fees to a nonprofit institution generally does not exceed the estimated cost of teaching personnel and supplies for instruction prescribed in paragraph 5, Part VIII, Veterans Regulation 1 (a), as amended. Therefore, managers are authorized except as provided in § 21.479 to make payment to eligible institutions of adjusted tuition based upon such nonresident tuition fees which have not been increased by more than 25 percent subsequent to June 22, 1944, without requirement of further determination that such fees do not exceed the estimated cost of teaching personnel and supplies for instruction: *Provided,* That, in the case of any institution where the manager finds that the nonresident tuition fee or fees in effect on June 22, 1944, considered alone or in combination with other fees charged by the institution, appear to be excessive in view of the charges of other comparable institutions for similar courses of instruction, he will submit the facts to the director, training facilities service, vocational rehabilitation and education, central office, Veterans' Administration, Washington 25, D. C., for review and decision as to whether such nonresident tuition fees may be accepted without further justification under the provisions of § 21.531. Where the nonresident tuition fee for any educational institution has been increased by more than 25 percent subsequent to June 22, 1944, or where the nonresident tuition fee has been established subsequent to June 22, 1944, or the charges are found excessive by the director, training facilities service, vocational rehabilitation and education, Veterans' Administration central office, the educational institutions affected will be notified to submit the necessary data for testing the nonresident tuition under the formula in § 21.531 to determine whether the tuition on the basis of teaching personnel and supplies for instruction equals or exceeds the nonresident tuition rate. Where such a nonresident tuition rate is tested and it is determined to be not in excess of the tuition rate under the formulary computation in § 21.531, the Veterans' Administration is authorized to pay such nonresident tuition rate, and the application of the institution for the nonresident tuition fee in such a case will be approved except as provided in § 21.479.

* * * * *

(g) Where the educational institution submits an application for adjusted compensation on the basis of § 21.475 and is determined to be eligible to receive such adjusted compensation in accordance with Veterans' Administration regulations, the institution's application will be approved if otherwise in order except as provided in § 21.479.

* * * * *

8. A new § 21.479 is added as follows:

§ 21.479 *Limitations on payment of adjusted compensation to nonprofit educational institutions.* (a) In view of the declining enrollment of veterans under Part VII and Part VIII, Veterans Regulation 1 (a), as amended (38 U. S. C. ch. 12), a terminal arrangement for the payment of tuition on an adjusted basis to nonprofit educational institutions is considered necessary as provided in paragraphs (b) and (c) of this section.

(b) Those educational institutions which received adjusted tuition for veterans enrolled under Part VII, Veterans Regulation 1 (a), as amended (including veterans under Pub. Law 894, 81st Cong., as amended), for the school year 1951–1952, and which qualify under § 21.446 for adjusted tuition for the school year 1952–1953, will be given the option of (1) continuing to receive for the school year 1952–1953 (on the same basis and at the same rate), the adjusted tuition rate paid for the last quarter, term, or semester of the school year 1951–1952, or (2) in the case of institutions receiving payment on the basis of cost of teaching personnel and supplies, submitting cost data as provided in § 21.531 to determine a new adjusted tuition rate for the school year 1952–1953, including the summer session of 1953. Beginning with the school year 1953–1954, no adjusted tuition will be paid for disabled veterans enrolled in such institutions except where special services are required under Veterans' Administration regulations by reason of the veteran's disability.

(c) Effective with the beginning of the school year 1952–53, educational institutions which apply and are eligible for adjusted tuition payments in accordance with § 21.478 will be paid an adjusted tuition rate based at the option of the institution on either (1) the rate paid for the last quarter, term, or semester of the school year 1951–52, or (2) the credit hour rate determined applicable for the school year 1952–53, pursuant to § 21.531. Beginning with the school year 1953–54, there will be no further computation of adjusted tuition rates. Any educational institution which is eligible for adjusted tuition payments for Part VIII veterans and which applies for adjusted tuition payments for the school year 1953–54 and after, will be paid at the rates applicable to the school year 1952–53, and will not be required nor permitted to receive any other adjusted rate. It is administratively determined that such rate does not exceed the estimated cost of teaching personnel and supplies for instruction.

9. In § 21.531, that portion of paragraph (a) preceding subparagraph (1) is amended to read as follows:

§ 21.531 *Adjustment of tuition on the basis of the cost of teaching personnel and supplies for instruction*—(a) *Basis for calculation.* Effective as of the date of its first contract required to be negotiated subsequent to May 5, 1950, an educational institution may elect any one of the three bases in subparagraphs (1), (2), and (3) of this paragraph for determining the estimated cost of teaching personnel and supplies for instruction except as provided in § 21.479. After selecting one of such bases, the educational institution will not be permitted to change the basis of computation from time to time but will be required to use the elected basis so long as it is entitled and permitted to receive adjusted compensation for training veterans under Public Law 346, 78th Congress, as amended.

* * * * *

(Sec. 2, 46 Stat. 1016, sec. 7, 48 Stat. 9, sec. 2, 57 Stat. 43, as amended, sec. 400, 58 Stat. 287, as amended; 38 U. S. C. 11a, 701, 707, ch. 12 note. Interpret or apply secs. 3, 4, 57 Stat. 43, as amended, secs. 300, 1500–1504, 1506, 1507, 58 Stat. 286, 300, as amended; 38 U. S. C. 693g, 697–697d, 697f, g, ch. 12 note)

This regulation is effective September 3, 1952.

[SEAL] H. V. STIRLING,
Deputy Administrator.

[F. R. Doc. 52-9607; Filed, Sept. 2, 1952; 8:52 a. m.]

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

Subchapter B—Hunting and Possession of Wildlife

PART 6—MIGRATORY BIRDS AND CERTAIN GAME MAMMALS

MISCELLANEOUS AMENDMENTS

Correction

In Federal Register Document 52-9506, appearing at page 7903 of the issue for Friday, August 29, 1952, the entries for Tennessee and Wisconsin in the table under § 6.4 (e) (6) should read as follows:

Tennessee	Nov. 17-Jan. 10	Oct. 4-Nov. 2
Wisconsin [1]	Oct. 4-Nov. 27	

Subchapter C—Management of Wildlife Conservation Areas

PART 31—PACIFIC REGION

SUBPART—CHARLES SHELDON ANTELOPE RANGE, NEVADA

DEER HUNTING PERMITTED

Basis and purpose. On the basis of observations and reports of field representatives of the Fish and Wildlife Service and the Nevada Fish and Game Commission, it has been determined that the deer population on certain portions of the Charles Sheldon Antelope Range is sufficient so that the periodic removal of a portion of the herd by controlled public hunting can be permitted. This action will not interfere with the primary purpose for which the range was established.

Since the following regulation is a relaxation of existing regulations applicable to the Charles Sheldon Antelope Range, publication prior to the effective date is not required (60 Stat. 237; 5 U. S. C. 1001, et seq.).

Effective immediately upon publication in the FEDERAL REGISTER, § 31.46 is added:

§ 31.46 *Deer hunting permitted.* Until further notice, the controlled public hunting of deer in accordance with the provisions of §§ 31.43 to 31.45, inclusive, is permitted on that portion of the Charles Sheldon Antelope Range, situated east and south of the County road (State Highway 8A), otherwise known as the Vya-Denio Road, in accordance with State law and regulations, at such times and under such restrictions as the refuge officer in charge determines to be in accord with the proper management of wildlife on the refuge, based on investigations to be conducted annually. Special requirements and restrictions as may be issued by the Refuge Manager pursuant to this section shall be clearly indicated by posting and shall be available at the Range headquarters, and strict compliance therewith is required.

(Sec. 10, 45 Stat. 1224; 16 U. S. C. 715i)

Dated: August 26, 1952.

O. H. JOHNSON,
Acting Director.

[F. R. Doc. 52-9577; Filed, Sept. 2, 1952; 8:45 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR Part 990]

[Docket No. AO-241]

HANDLING OF MILK IN NEW YORK-NEW JERSEY METROPOLITAN MARKETING AREA

NOTICE OF EXTENSION OF TIME FOR FILING BRIEFS

Pursuant to the applicable rules of practice and procedure governing the formulation of marketing agreements and orders (7 CFR Part 900) notice is hereby given that the time heretofore fixed by me (September 15, 1952) within which interested persons may file proposed findings and conclusions, and written arguments or briefs, based upon the evidence received at the hearing held beginning on June 2, 1952 pursuant to notice thereof issued on May 6, 1952 (17 F. R. 4257, 4465), is hereby extended to October 15, 1952.

Filed at Washington, D. C., this 27th day of August 1952.

[SEAL] GLEN J. GIFFORD,
Presiding Officer.

[F. R. Doc. 52-9612; Filed, Sept. 2, 1952; 8:53 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Order No. 473]

CHIEFS OF DIVISIONS AND CHIEFS OF SUBDIVISIONS OF DIVISIONS [1]

DELEGATIONS OF AUTHORITY

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PART 3—APPEALS

3.1 Right of appeal.

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4.1 Revocation.

PART 1—AUTHORITY IN GENERAL

SECTION 1.1 *Functions of chiefs of divisions and chiefs of subdivisions of divisions.* (a) Pursuant to the authority and subject to the limitations contained in Order No. 2583 of August 16, 1950 (15 F. R. 5643) of the Secretary of the Interior, the chiefs of divisions and chiefs of subdivisions of divisions of the Bureau of Land Management are hereby authorized to perform, in accordance with the existing policies, regulations and pro-

[1] The section numbers in this order correspond, so far as possible, with related section numbers in Order No. 2583, August 16, 1950 (15 F. R. 5643).

cedures of the Department of the Interior, the functions of the Director, Bureau of Land Management, as provided in this order. This shall include all types of actions in the matters listed, unless otherwise provided. No action shall be taken by any such officer affecting the lands or activities of any other agency in this Department, or other Federal agency, until the matter has been cleared with that agency. No decision shall be rendered by any such officer involving a determination as to the proper use or value of land or its resources, unless such decision has been endorsed in the division or divisions of the Bureau having jurisdiction in the matter.

(b) The assistant chief of a division may exercise all the powers and authority of the chief of that division and the assistant chief of a subdivision of a division may exercise all the powers and authority of the chief of that subdivision.

(c) In case of the death, resignation, absence or sickness of the chief or assistant chief of a division or of a subdivision of a division, the duties of such officer may be performed under the title "acting chief" or "acting assistant chief" by any qualified employee authorized to do so by this order, or authorized in writing to do so by the Chief of the division.

SEC. 1.2 *Limitations.* The authority delegated by this order does not include any authority reserved to the Secretary of the Interior by his Order No. 2583 of August 16, 1950. No action shall be taken involving a new or novel question of law or a commitment not previously authorized.

The authority delegated by this order does not include any authority concerning Congressional correspondence.

PART 2—AUTHORITY IN SPECIFIED MATTERS

Subject to the provisions of Part 1 of this order and the exceptions hereinafter set forth, the chiefs of divisions, and the chiefs of subdivisions of divisions, are hereby authorized to act in the classes of matters listed below, so far as they pertain to the work of their respective divisions or subdivisions of divisions.

GENERAL

SEC. 2.1 *Amendment of entries and patents.* (a) Amendment of entries and patents, based upon errors shown by the records.

(b) Decisions rejecting applications or requiring additional evidence in the amendment of entries and patents not based upon errors shown by the records.

SEC. 2.9 *Government contest decisions.* Government contest decisions in all kinds of cases in which the proposed decision is not adverse to the United States.

SEC. 2.20a. *Applications for patented or reserved lands.* Applications for patented or reserved lands, not subject to disposal under the applications.

SEC. 2.20b *Elimination from leases and permits of lands erroneously included therein.* The elimination from leases and permits of all types of patented or reserve lands erroneously included therein.

SEC. 2.20c *Extensions of time.* Applications for extensions of time within which to meet requirements made by decisions of the Bureau.

SEC. 2.20d *Appeals to the Director.* Decisions involving appeals to the Director filed pursuant to 43 CFR Part 221, from actions of any regional officer, in cases where only land status or classification is involved.

SEC. 2.20e *Closing of cases.* The closing of cases, where proper, pursuant to Bureau or departmental decision.

ACTIONS IN THE DIVISION OF MINERALS

SEC. 2.31 *Oil and gas leases.* (a) Competitive oil and gas leases on public and acquired lands.

(b) Noncompetitive oil and gas leases in acquired lands, pursuant to 43 CFR Part 200.

(c) The authority delegated by this section shall not include any function pertaining to oil and gas deposits that involve approval or execution of unit or cooperative agreements, communitization agreements, subsurface storage agreements, operating, drilling, or development contracts without regard to acreage limitations, or the sale of royalty oil taken in amount of production. Neither shall it include any function relating to the grant, approval, or termination of the waiver, suspension, or reduction of rental or minimum royalty, the reduction of royalty, or the suspension of operations or production.

SEC. 2.32 *Coal permits and leases and asphalt leases.* (a) Permits and noncompetitive coal leases based upon permits under the act of August 7, 1947 (30 U. S. C. Sup. 351–359); and permits and noncompetitive coal leases based on permits, and coal leases and asphalt leases, under the acts of June 28, 1944 (58 Stat. 483–485), June 24, 1948 (62 Stat 596), and May 24, 1949 (63 Stat. 76).

(b) The authority granted by this section shall not include any function relating to the grant, approval or termination of the waiver, suspension, or reduction of rental or minimum royalty, the reduction of royalty, or the suspension of operations or production.

SEC. 2.33 *Oil shale leases.* (a) Oil shale leases under section 21 of the act of February 25, 1920 (30 U. S. C. 241), and under the act of August 7, 1947 (30 U. S. C. secs. 351–359).

(b) The authority granted by this section shall not include any function relating to the grant, approval or termination of the waiver, suspension, or reduction of rental or minimum royalty, the reduction of royalty, or the suspension of operations or production.

SEC. 2.33b *Potassium permits.* Potassium permits under the act of February 7, 1927 (30 U. S. C. secs. 281–285), as amended, and potassium permits in acquired lands, pursuant to 43 CFR Part 200, except recommendations to the Secretary of the Interior for the approval of such permits.

SEC. 2.34. *Sodium permits.* Sodium permits under section 23 of the act of February 25, 1920 (30 U. S. C. sec. 261), as amended, and sodium permits in acquired lands, pursuant to 43 CFR Part 200.

SEC. 2.35 *Sulphur permits.* Sulphur permits under the act of April 17, 1926 (30 U. S. C. sec. 271), as amended, and sulphur permits in acquired lands, pursuant to 43 CFR Part 200.

SEC. 2.43 *Gold, silver, and quicksilver leases.* Leases of gold, silver, and quicksilver to the owners of confirmed private land claims, pursuant to 43 CFR Part 187.

SEC. 2.44 *Minerals subject to lease under special laws.* Leases of sand, gravel and other minerals under special laws pursuant to 43 CFR Part 199; also leases of certain mineral deposits in acquired lands pursuant to 43 CFR 200.31 to 200.36 inclusive.

SEC. 2.45 *Mineral entries.* Approval of mineral entries for patenting, except where such entries involve leaseable minerals.

ACTIONS IN THE DIVISION OF LANDS

SEC. 2.10 *Patents.* Patents for grants of land under authority of the Government, to be issued in the name of the United States, other than patents or other conveyances which require the approval or signature of the President. Patents may be signed for the Director by the Chief of the Patents Section of the Bureau, and, in his absence, by the Acting Chief of the Section.

SEC. 2.63 *Exchanges.* Forest and State exchanges of lands, in accordance with 43 CFR Parts 147 and 148, Part 149, other than §§ 149.35 to 149.43, inclusive, and Parts 150 to 152, inclusive, except matters involving the validity of titles.

SEC. 2.76 *State grants and grants to Territory of Alaska.* State grants and selections, and grants to and selections by the Territory of Alaska, when authorized by law, except orders for patent under the act of June 21, 1934 (48 Stat. 1185; 43 U. S. C. 871a), in which a mineral question is involved.

SEC. 2.90a. *Cash and credit-system entries.* (a) Cash and credit-system and preemption entries when full payment has been made.

(b) Decisions rejecting applications or requiring additional evidence in connection with cash and credit system and preemption entries where full payment has not been made.

SEC. 2.90b *Private land and small holding claims.* (a) (1) Confirmed private land claims, and (2) decisions rejecting applications in connection with unconfirmed private land claims.

(b) Small holding claims.

SEC. 2.90c *Drainage entries.* Arkansas and Minnesota drainage entries, in accordance with 43 CFR Parts 117 and 118, respectively.

SEC. 2.90d *Certificates, scrip and lieu selections.* Certificates and scrip under 43 CFR Parts 130 to 133, inclusive; also forest lieu selections, except matters in-

volving the validity of titles, in accordance with footnote 1, to Part 130.

SEC. 2.90e *Timber and stone entries.* Timber and stone entries pursuant to 43 CFR Part 285.

SEC. 2.90f *Quitclaim deeds.* Decisions rejecting quitclaim deeds or requiring additional evidence in connection with applications for the issuance of quitclaim deeds under section 6 of the act of April 28, 1930 (46 Stat. 257; 43 U. S. C. 872).

ACTIONS IN THE DIVISION OF ENGINEERING

SEC. 2.14 *Surveys.* The acceptance of all types of surveys.

ACTIONS IN THE DIVISION OF ADMINISTRATION

SEC. 2.5 *Copies of records.* The making of copies and exemplifications of patents, plats and other records of the Bureau of Land Management.

PART 3—APPEALS

SEC. 3.1 *Right of appeal.* All actions taken pursuant to this order will be subject to appeal to the Secretary of the Interior, pursuant to the Rules of Practice (43 CFR Part 221).

PART 4—EFFECT ON PRIOR ORDERS

SEC. 4.1 *Revocation.* This order supersedes Order No. 309, May 19, 1948 (13 F. R. 2953), Order No. 428 of August 16, 1950 (15 F. R. 5643), and Order No. 438, March 29, 1951 (16 F. R. 3019), which are hereby revoked.

MARION CLAWSON,
Director.

Approved: August 27, 1952.

JOEL D. WOLFSOHN,
Acting Secretary of the Interior.

[F. R. Doc. 52-9583; Filed, Sept. 2, 1952; 8:46 a. m.]

Bureau of Reclamation

[Commissioner's Order 14]

AREA PLANNING ENGINEER, ALBUQUERQUE, N. MEX.

REDELEGATION OF AUTHORITY BY THE COMMISSIONER OF RECLAMATION WITH RESPECT TO CONTRACTS

AUGUST 25, 1952.

SECTION 1. *Contracts.* Pursuant to the authority contained in section 50 of Departmental Order 2509 (17 F. R. 6793), subject to applicable regulations and appropriations, the Area Planning Engineer, Albuquerque, New Mexico, may:

(a) Award and execute contracts for supplies or services where the amount does not exceed $50,000;

(b) Approve and execute change orders and extra work orders pursuant to contracts for supplies or services where the amount does not exceed $50,000;

(c) Approve and enter into modifications of contracts for supplies or services which are legally permissible, and terminate such contracts if such action is legally authorized, where the amount does not exceed $50,000.

G. W. LINEWEAVER,
Acting Commissioner of Reclamation.

[F. R. Doc. 52-9580; Filed, Sept. 2, 1952; 8:46 a. m.]

[Commissioner's Order 15]

AREA PLANNING ENGINEER, OKLAHOMA CITY, OKLA.

REDELEGATION OF AUTHORITY BY THE COMMISSIONER OF RECLAMATION WITH RESPECT TO CONTRACTS

AUGUST 25, 1952.

SECTION 1. *Contracts.* Pursuant to the authority contained in section 50 of Departmental Order 2509 (17 F. R. 6793), subject to applicable regulations and appropriations, the Area Planning Engineer, Oklahoma City, Oklahoma, may:

(a) Award and execute contracts for supplies or services where the amount does not exceed $50,000;

(b) Approve and execute change orders and extra work orders pursuant to contracts for supplies or services where the amount does not exceed $50,000;

(c) Approve and enter into modifications of contracts for supplies or services which are legally permissible, and terminate such contracts if such action is legally authorized, where the amount does not exceed $50,000.

G. W. LINEWEAVER,
Acting Commissioner of Reclamation.

[F. R. Doc. 52-9581; Filed, Sept. 2, 1952; 8:46 a. m.]

[Commissioner's Order 16]

AREA PLANNING ENGINEER, AUSTIN, TEX.

REDELEGATION OF AUTHORITY BY THE COMMISSIONER OF RECLAMATION WITH RESPECT TO CONTRACTS

AUGUST 25, 1952.

SECTION 1. *Contracts.* Pursuant to the authority contained in Section 50 of Departmental Order 2509 (17 F. R. 6793), subject to applicable regulations and appropriations, the Area Planning Engineer, Austin, Texas, may:

(a) Award and execute contracts for supplies or services where the amount does not exceed $50,000;

(b) Approve and execute change orders and extra work orders pursuant to contracts for supplies or services where the amount does not exceed $50,000;

(c) Approve and enter into modifications of contracts for supplies or services which are legally permissible, and terminate such contracts if such action is legally authorized, where the amount does not exceed $50,000.

G. W. LINEWEAVER,
Acting Commissioner of Reclamation.

[F. R. Doc. 52-9582; Filed, Sept. 2, 1952; 8:46 a. m.]

LA BARGE PROJECT, WYOMING

ORDER OF CORRECTION TO FIRST FORM RECLAMATION WITHDRAWAL

JULY 24, 1952.

First form reclamation withdrawal of May 8, 1951, concurred in by the Acting Director, Bureau of Land Management, on February 28, 1952, erroneously described Township 26 North, Range 113 West, Sixth Principal Meridian, Wyoming, as being Range 113 East.

Pursuant to the authority delegated by Departmental Order No. 2515 of April 7, 1949 (14 F. R. 1937) I hereby amend First Form Withdrawal of May 8, 1951, to correct Township 26 North, Range 113 East, Sixth Principal Meridian, Wyoming, to read as follows:

Township 26 North, Range 113 West

G. W. LINEWEAVER,
Assistant Commissioner.

I concur. The records of the Bureau of Land Management will be noted accordingly.

WILLIAM ZIMMERMAN, Jr.,
Associate Director,
Bureau of Land Management.

AUGUST 15, 1952.

[F. R. Doc. 52-9578; Filed, Sept. 2, 1952; 8:45 a. m.]

WINSLOW PROJECT, ARIZONA

FIRST FORM RECLAMATION WITHDRAWAL

JUNE 3, 1952.

Pursuant to the authority delegated by Departmental Order No. 2515, of April 7, 1949, I hereby withdraw the following described lands from public entry under the first form of withdrawal as provided by section 3 of the act of June 17, 1902 (32 Stat. 388).

ARIZONA

GILA AND SALT RIVER MERIDIAN

T. 14 N., R. 12 E.,
Sec. 1, NW¼SW¼, S½S½;
Sec. 2, Lots 1, 2, 3, 4, S½N½, S½;
Sec. 3, Lots 1, 2, 3, 4, S½N½, S½;
Sec. 4, S½;
Sec. 5, S½;
Sec. 8, All;
Sec. 9, All;
Sec. 10, All;
Sec. 11, S½NE¼, SE¼NW¼, E½SW¼, SE¼;
Sec. 12, N½;
Sec. 14, N½;
Sec. 15, N½.
T. 15 N., R. 12 E.,
Sec. 34, SE¼;
Sec. 36, S½.
T. 14 N., R. 13 E.,
Sec. 3, Lots 3 and 4, S½NW¼, SW¼;
Sec. 4, Lots 1, 2, 3, 4, S½N½, S½;
Sec. 5, Lots 1, 2, 3, 4, S½N½, S½;
Sec. 6, Lots 1 to 14, inc., S½NE¼, SE¼;
Sec. 7, Lots 1 to 6, inc., NE¼;
Sec. 8, N½;
Sec. 9, N½;
Sec. 10, N½.
T. 15 N., R. 13 E.,
Sec. 29, E½SW¼, SE¼;
Sec. 30, SE¼;
Sec. 32, All;
Sec. 33, SW¼.

The area aggregates 10,728.66 acres.

G. W. LINEWEAVER,
Assistant Commissioner.

I concur. The records of the Bureau of Land Management will be noted accordingly.

WILLIAM ZIMMERMAN, Jr.,
Associate Director,
Bureau of Land Management.

AUGUST 15, 1952.

Notice for Filing Objections to Order Withdrawing Public Lands for the Winslow Project, Arizona

JUNE 3, 1952.

Notice is hereby given that for a period of 30 days from the date of publication of this notice, persons having cause to object to the terms of the above order withdrawing certain public lands in the State of Arizona, for use in connection with the proposed Wilkins Dam and Reservoir, Winslow Project, Arizona, may present their objections to the Secretary of the Interior. Such objections should be in writing, should be addressed to the Secretary of the Interior, and should be filed in duplicate in the Department of the Interior, Washington 25, D. C.

In case any objection is filed and the nature of the opposition is such as to warrant it, a public hearing will be held at a convenient time and place, which will be announced, where opponents to the order may state their views and where the proponents of the order can explain its purpose, intent, and extent. Should any objection be filed, notice of the determination by the Secretary as to whether the order should be rescinded, modified or let stand will be given to all interested parties of record and the general public.

G. W. LINEWEAVER,
Assistant Commissioner.

[F. R. Doc. 52-9579; Filed, Sept. 2, 1952; 8:46 a. m.]

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[Notice No. 1 of Requirement of Certification—1952]

SUGAR REQUIREMENTS AND QUOTAS

ENTRY OF SUGAR INTO CONTINENTAL UNITED STATES; CUBA

Pursuant to § 817.2, Rev. 1 (13 F. R. 127, 14 F. R. 1169, 16 F. R. 12847), notice is hereby given that the 1952 sugar quota for Cuba, amounting to 2,744,308 short tons of sugar, raw value, has been filled to the extent of 80 per centum or more. Accordingly, pursuant to § 817.2, Rev. 1, for the remainder of the calendar year 1952 Collectors of Customs shall not permit the entry into the continental United States from Cuba of any sugar unless and until the certification described in § 817.3 (a) is issued.

(Sec. 403, 61 Stat. 932; 7 U. S. C. Sup. 1153)

Issued this 28th day of August 1952.

[SEAL] LAWRENCE MYERS,
Director, Sugar Branch, Production and Marketing Administration.

[F. R. Doc. 52-9627; Filed, Sept. 2, 1952; 8:53 a. m.]

DEPARTMENT OF LABOR

Wage and Hour Division

LEARNER EMPLOYMENT CERTIFICATES

ISSUANCE TO VARIOUS INDUSTRIES

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938, as amended (52 Stat. 1068, as amended; 29 U. S. C. and Sup. 214) and Part 522 of the regulations issued thereunder (29 CFR Part 522), special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rates applicable under section 6 of the act have been issued to the firms listed below. The employment of learners under these certificates is limited to the terms and conditions therein contained and is subject to the provisions of Part 522. The effective and expiration dates, occupations, wage rates, number or proportion of learners, and learning period for certificates issued under the general learner regulations (§§ 522.1 to 522.14) are as indicated below; conditions provided in certificates issued under special industry regulations are as established in these regulations.

Single Pants, Shirts and Allied Garments, Women's Apparel, Sportswear and Other Odd Outerwear, Rainwear, Robes and Leather and Sheep-lined Garments Divisions of the Apparel Industry Learner Regulations (29 CFR 522.160 to 522.166, as amended December 31, 1951; 16 F. R. 12043, and June 2, 1952; 17 F. R. 3818).

Alexander Manufacturing Co., 702 West Seventh Street., Lancaster, Tex., effective 8-23-52 to 8-22-53; five learners (children's underwear).

Ambra Manufacturing Co., 1015 Dewey Street., Freeland, Pa., effective 8-25-52 to 8-3-53; five learners (jackets and snow suits).

Barrow Manufacturing Co., Winder, Ga., effective 8-20-52 to 8-19-53; 10 percent of the productive factory force (work pants and sport shirts).

Big Ace Corp., Athens, Ga., effective 8-25-52 to 8-24-53; 10 percent of the productive factory force (overalls, dungarees, and shirts).

Blue Jeans Corp., Box 588, Whiteville, N. C., effective 8-21-52 to 12-5-52; 25 additional learners for expansion purposes (work clothing) (supplemental certificate).

Bound Brook Novelty Co., Inc., 324 Talmage Avenue, Bound Brook, N. J., effective 8-20-52 to 8-19-53; two learners (boys' wash suits and overalls.)

The Carlisle Garment Co., 44 North Bedford Street, Carlisle, Pa., effective 8-20-52 to 8-19-53; 10 learners (dresses).

The Cleveland Overall Co., 1788 East Twenty-fifth Street, Cleveland, Ohio, effective 3-21-52 to 8-20-53; 10 percent of the productive factory force (men's cotton work garments).

Clinton Garment Co., Clinton, Ind., effective 8-25-52 to 2-24-53; 50 learners for expansion purposes (ladies' sportswear) (replacement certificate).

The Davidson Bros. Corp., Royal Square, West Warwick, R. I., effective 8-20-52 to 2-19-53; 10 learners for expansion purposes (slips, nightgowns, and petticoats).

The Davidson Bros. Corp., Royal Square, West Warwick, R. I., effective 8-20-52 to 8-19-53; 10 percent of the productive factory force (slips, nightgowns, and petticoats).

Hazleton-McAdoo Sportswear Co., 315 West Twentieth Street, Hazleton, Pa., effective 8-19-52 to 8-18-53; 10 percent of the productive factory force (sportswear).

Iron King Overall Co., 113 South Hanover Street, Baltimore, Md., effective 8-21-52 to 8-20-53; two learners (men's work clothing).

La Follette Shirt Co., Inc., La Follette, Tenn., effective 8-26-52 to 2-25-53; 47 learners for expansion purposes (dress and sport shirts).

R. Lowenbaum Manufacturing Co., 100 South Minnesota Street, Cape Girardeau, Mo., effective 8-25-52 to 2-24-53; 15 learners for expansion purposes (dresses).

R. Lowenbaum Manufacturing Co., Sparta, Ill., effective 8-25-52 to 2-24-53; 10 learners for expansion purposes (dresses).

Meyersdale Manufacturing Co., Inc., Myersdale, Pa., effective 8-18-52 to 2-17-53; 50 learners for expansion purposes (shirts).

Mount Carmel Garment Co., Inc., 51 North Spruce Street, Mount Carmel, Pa., effective 8-20-52 to 8-19-53; 10 percent of the productive factory force (blouses).

National Dress Co., Burlington, N. J., effective 8-20-52 to 8-19-53; five learners (children's dresses).

Rice-Stix Factory No. 16, Water Valley, Miss., effective 8-20-52 to 2-19-53; 10 learners for expansion purposes (pants and shirts).

Rockwood Undergarment Co., Inc., Rockwood, Pa., effective 8-21-52 to 8-20-53; five learners (ladies' undergarments).

Shawnee Garment Manufacturing Co., 115½ North Bell Street, Shawnee, Okla., effective 8-19-52 to 8-18-53; 10 percent of the productive factory force (pants, overalls, shirts, and coats).

Valley View Manufacturing Co., Valley View, Pa., effective 8-20-52 to 8-19-53; 10 percent of the productive factory force. (Dresses, housecoats, etc.).

Glove Industry Learner Regulations (29 CFR 522.220 to 522.231, as amended October 26, 1950; 15 F. R. 6888).

The Boss Manufacturing Co., 811 West Fourth Street, Grand Island, Nebr., effective 8-22-52 to 8-21-53; 10 learners (work gloves).

Jasper Glove Co., Inc., 611 Main Street, Jasper, Ind., effective 8-20-52 to 8-19-53; 10 percent of the productive factory workers engaged in the learner occupations (work gloves).

Warlong Glove Manufacturing Co., Conover, N. C., effective 8-20-52 to 8-19-53; 10 percent of the productive factory workers engaged in the learner occupations (work gloves).

Wells Lamont Corp., Mount Vernon, Tex., effective 8-25-52 to 2-24-53; 12 learners for expansion purposes (work gloves).

Wells Lamont Corp., Waynesboro, Miss., effective 8-25-52 to 8-24-53; 10 learners (leather palm work gloves).

Hosiery Industry Learner Regulations (29 CFR 522.40 to 522.51, as revised November 19, 1951; 16 F. R. 10733).

Lorraine Cross Hosiery, Inc., East Seventh and Locust Streets, Bloomsburg, Pa., effective 8-21-52 to 5-7-53; three learners (replacement certificate).

Melrose Hosiery Mills, Inc., High Point, N. C., effective 8-18-52 to 8-17-53; 5 percent of the productive factory force.

Quitman Manufacturing Co., Quitman, Miss., effective 9-1-52 to 8-31-53; 5 percent of the productive factory force.

Knitted Wear Industry Learner Regulations (29 CFR 522.68 to 522.79, as amended January 21, 1952; 16 F. R. 12866).

Leininger Knitting Mills, Orwigsburg, Pa., effective 8-21-52 to 8-20-53; two learners (underwear and outerwear).

Shoe Industry Learner Regulations (29 CFR 522.250 to 522.260, as amended March 17, 1952; 17 F. R. 1500).

Trego's Westwear, 1001-03 Seventh Street, Woodward, Okla., effective 8-20-52 to 8-19-53; five learners in the production of moccasins only.

The following special learner certificates were issued to the school-operated industries listed below:

Auburn Academy, Auburn, Wash., effective 9-1-52 to 8-31-53; woodwork shop—assembler (furniture), machine operator, furniture finisher helper, and related occupations; 60 learners; 250 hours at 55 cents per hour, 250 hours at 60 cents per hour, 250 hours at 70 cents per hour.

Cedar Lake Academy, Cedar Lake, Mich., effective 9-1-52 to 8-31-53; woodwork shop—assembler, machine operator, clerk and related skilled and semi-skilled occupations; 30 learners; 250 hours at 55 cents per hour, 250 hours at 60 cents per hour, 250 hours at 70 cents per hour.

Glendale Union Academy, 700 Kimlin Drive, Glendale, Calif., effective 9-1-52 to 8-31-53; print shop—compositer, pressman, finisher and related skilled and semi-skilled occupations; four learners; 350 hours at 55 cents per hour, 325 hours at 60 cents per hour, 325 hours at 70 cents per hour (unless State law sets higher standards).

La Sierra College, La Sierra Heights, Arlington, Calif., effective 9-1-52 to 8-31-53; print shop—pressman, compositor, linotype operator, bindery worker and related skilled and semi-skilled occupations; 15 learners; 675 hours at 65 cents per hour, 325 hours at 70 cents per hour (unless State law sets higher standards).

Maplewood Academy, Hutchinson, Minn., effective 9-1-52 to 8-31-53; print shop—pressman, compositor and related skilled and semi-skilled occupations; six learners; 350 hours at 55 cents per hour, 325 hours at 60 cents per hour, 325 hours at 70 cents per hour; woodwork shop (craftshop)—assembler, sawyer, machine operator and related skilled and semi-skilled occupations; 20 learners; 250 hours at 55 cents per hour, 250 hours at 60 cents per hour, 250 hours at 70 cents per hour; bookbindery—bookbinder, bindery worker and related skilled and semi-skilled occupations; 20 learners, 200 hours at 55 cents per hour, 200 hours at 60 cents per hour, 200 hours at 70 cents per hour; clerical-typist, bookkeeper and related skilled and semi-skilled occupations; five learners; 200 hours at 55 cents per hour, 200 hours at 60 cents per hour, 200 hours at 70 cents per hour.

Oak Park Academy, Nevada, Iowa, effective 9-1-52 to 8-31-53; broomshop—broom maker (winder), stitcher, sorter, and related skilled and semi-skilled operations; eight learners; 150 hours at 55 cents per hour, 125 hours at 60 cents per hour, 125 hours at 70 cents per hour; print shop—compositor, pressman and related skilled and semi-skilled occupations; six learners; 350 hours at 55 cents per hour, 325 hours at 60 cents per hour, 325 hours at 70 cents per hour.

Southern Missionary College, Collegedale, Tenn., effective 9-1-52 to 8-31-53; print shop—compositor, pressman and related skilled and semi-skilled occupations; 28 learners; 350 hours at 55 cents per hour, 325 hours at 60 cents per hour, 325 hours at 70 cents per hour; broom shop—broom maker, sorter, winder, stitcher and related skilled and semi-skilled occupations; 75 learners; 150 hours at 55 cents per hour, 125 hours at 60 cents per hour, 125 hours at 70 cents per hour; woodwork shop—machine operator, kiln worker, assembler, finisher and other related skilled and semi-skilled occupations; 160 learners; 250 hours at 55 cents per hour, 250 hours at 60 cents per hour, 250 hours at 70 cents per hour; clerical work—typist, stenographer and related skilled and semi-skilled occupations; 20 learners; 200 hours at 55 cents per hour, 200 hours at 60 cents per hour, 200 hours at 70 cents per hour.

Southwestern Junior College, Keene, Tex., effective 9-1-52 to 8-31-53; woodwork shop (college mill)—assembler, machine operator, painter, clerk and related skilled and semi-skilled occupations; 35 learners; 250 hours at 55 cents per hour, 250 hours at 60 cents per hour, 250 hours at 70 cents per hour; chenille shop—sewing machine operators and related skilled and semi-skilled occupations; 25 learners; 200 hours at 55 cents per hour, 200 hours at 60 cents per hour, 200 hours at 70 cents per hour; print shop—compositor, pressman, bindery worker and related skilled and semi-skilled occupations; 10 learners; 350 hours at 55 cents per hour, 325 hours at 60 cents per hour, 325 hours at 70 cents per hour; clerical work—typist, file clerk, bookkeeper, stenographer, timekeeper and other related skilled and semi-skilled occupations; 8 learners; 200 hours at 55 cents per hour, 200 hours at 60 cents per hour, 200 hours at 70 cents per hour.

Spanish-American Academy, Sandoval, N. Mex., effective 9-1-52 to 8-31-53; broom shop—broom maker (winder), sorter, stitcher, and related skilled and semi-skilled occupations; 30 learners; 150 hours at 55 cents per hour, 125 hours at 60 cents per hour, 125 hours at 70 cents per hour; laundry—laundry worker (semi-skilled occupations only); 6 learners; 100 hours at 55 cents per hour, 100 hours at 60 cents per hour, 100 hours at 70 cents per hour.

Union College, Lincoln 6, Nebr., effective 9-1-52 to 8-31-53; print shop— compositor, pressman, and related skilled and semi-skilled occupations; 6 learners; 350 hours at 55 cents per hour, 325 hours at 60 cents per hour, 325 hours at 70 cents per hour; bookbinding shop—bookbinder, bindery workers, and related skilled and semi-skilled occupations; 10 learners; 200 hours at 55 cents per hour, 200 hours at 60 cents per hour, 200 hours at 70 cents per hour; broom shop—broom maker and related skilled and semi-skilled occupations; 8 learners; 150 hours at 55 cents per hour, 125 hours at 60 cents per hour, 125 hours at 70 cents per hour; furniture shop—furniture maker, furniture finisher and related skilled and semi-skilled occupations; 25 learners; 250 hours at 55 cents per hour, 250 hours at 60 cents per hour, 250 hours at 70 cents per hour; clerical—bookkeeper, file clerk, business machines operator and related skilled and semi-skilled occupations; 5 learners; 200 hours at 55 cents per hour, 200 hours at 60 cents per hour, 200 hours at 70 cents per hour.

The following special learner certificates were issued in Puerto Rico to the companies hereinafter named. The effective and expiration dates, the number of learners, the learner occupations, the length of the learning period and the learner wage rates are indicated, respectively.

El Mundo, Inc., San Juan, P. R., effective 8-20-52 to 2-19-53; eight learners; teletype operators; 240 hours at 35 cents per hour, 240 hours at 40 cents per hour, 240 hours at 50 cents per hour, 240 hours at 55 cents per hour (daily newspaper).

Rio Mode Hosiery Mills, Inc., Caguas, P. R., effective 8-20-52 to 11-1-52; eight learners; seamers, 160 hours at 25 cents per hour, 320 hours at 30 cents per hour, 320 hours at 35 cents per hour; menders, 160 hours at 25 cents per hour, 160 hours at 30 cents per hour, 160 hours at 35 cents per hour; examiners, 80 hours at 25 cents per hour, 80 hours at 30 cents per hour, 80 hours at 35 cents per hour (full fashioned hosiery).

Each certificate has been issued upon the employer's representation that employment of learners at subminimum rates is necessary in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. The certificates may be cancelled in the manner provided in the regulations and as indicated in the certificates. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within fifteen days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of Part 522.

Signed at Washington, D. C., this 26th day of August 1952.

MILTON BROOKE,
Authorized Representative of the Administrator.

[F. R. Doc. 52-9584; Filed, Sept. 2, 1952; 8:47 a. m.]

FEDERAL POWER COMMISSION

[Project No. 1967]

WHITING-PLOVER PAPER CO.

NOTICE OF APPLICATION FOR AMENDMENT OF LICENSE

AUGUST 21, 1952.

Public notice is hereby given that Whiting-Plover Paper Company, of Stevens Point, Wisconsin, has made application for amendment of license for Project No. 1967, to authorize replacement of the present project dam, consisting of two parts separated by an island, with two concrete gravity overflow sections located just downstream from the present sections. The rebuilt dam will maintain present water levels under normal conditions.

Any protest against the approval of this application or request for action thereon, with the reasons for such protest or request, and the name and address of the party or parties so protesting or requesting should be submitted on or before October 15, 1952, to the Federal Power Commission, Washington 25, D. C.

[SEAL] J. H. GUTRIDE,
Acting Secretary.

[F. R. Doc. 52-9381; Filed, Sept. 2, 1952; 8:45 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 27353]

DENATURED ALCOHOL AND RELATED ARTICLES FROM KANSAS CITY, MO., TO MICHIGAN, MINNESOTA, WISCONSIN, AND SOUTH DAKOTA

APPLICATION FOR RELIEF

AUGUST 28, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: L. E. Kipp, Agent, for carriers parties to schedules listed below.

Commodities involved: Denatured alcohol and related articles, carloads.

From: Kansas City, Mo.

To: Points in Michigan, Minnesota, Wisconsin, and South Dakota.

Grounds for relief: Rail competition, circuity, and to apply rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates:

	Tariff I. C. C. No.	Supplement No.
L. E. Kipp, Agent	A-3733	68
C&NW Ry	11222	1
CMStP&P RR	B-7574	20
GN Ry	A-8051	203
	A-8034	98
M&StL RR	74	

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-9586; Filed, Sept. 2, 1952; 8:47 a. m.]

[4th Sec. Application 27354]

CRUDE RUBBER FROM POINTS IN TEXAS AND LOUISIANA TO VINCENNES, IND.

APPLICATION FOR RELIEF

AUGUST 28, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: F. C. Kratzmeir, Agent, for carriers parties to his tariffs I. C. C. Nos. 3906 and 3967.

Commodities involved: Rubber, artificial, synthetic or neoprene, crude, carloads.

From: Baytown, Borger, Houston, and Port Neches, Tex., Lake Charles and West Lake Charles, La.

To: Vincennes, Ind.

Grounds for relief: Rail competition, circuity, and to apply rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates: F. C. Kratzmeir, Agent, I. C. C. No. 3906, Supp. 138; F. C. Kratzmeir, Agent, I. C. C. No. 3967, Supp. 152.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-9587; Filed, Sept. 2, 1952; 8:47 a. m.]

[4th Sec. Application 27355]

BAKERY GOODS FROM HOUSTON, TEX., TO AMARILLO AND EL PASO, TEX.

APPLICATION FOR RELIEF

AUGUST 28, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: Lee Douglass, Agent, for carriers parties to his tariff I. C. C. No. 807.

Commodities involved: Bakery goods as described in exhibit A of the application, in carloads.

From: Houston, Tex.

To: Amarillo and El Paso, Tex.

Grounds for relief: Rail competition, circuity, and to meet intrastate rates.

Schedules filed containing proposed rates: Lee Douglass, Agent, I. C. C. No. 807, Supp. 14.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-9588; Filed, Sept. 2, 1952; 8:47 a. m.]

OFFICE OF DEFENSE MOBILIZATION

[Defense Manpower Policy No. 4, Notification 38, Amdt.]

PLACEMENT OF PROCUREMENT WITH THE TEXTILE INDUSTRY

EXEMPTION OF GENERAL SERVICES ADMINISTRATION FROM CERTAIN PROVISIONS

Upon request of the Administrator of the General Services Administration and following a recommendation by the Surplus Manpower Committee, the Director of Defense Mobilization has approved the following:

That Paragraphs 2 and 3 of Notification 38 (17 F. R. 4993) and Paragraph 2 of the Recommendations therein, be amended to exempt the General Services Administration from the provisions of this notification.

This amendment shall be effective immediately.

OFFICE OF DEFENSE MOBILIZATION,
JOHN R. STEELMAN,
Acting Director.

[F. R. Doc. 52-9643; Filed, Aug. 29, 1952; 3:46 p. m.]

[Defense Manpower Policy No. 4, Notification 53, Amdt.]

PLACEMENT OF PROCUREMENT WITH THE APPAREL INDUSTRY

EXEMPTION OF GENERAL SERVICES ADMINISTRATION FROM CERTAIN PROVISIONS

Upon request of the Administrator of the General Services Administration and following a recommendation by the Surplus Manpower Committee, the Director of Defense Mobilization has approved the following:

That Paragraphs 2, 3, and 4 of Notification 53 (17 F. R. 6675) be amended to exempt the General Services Administration from the provisions of this notification.

This amendment shall be effective immediately.

OFFICE OF DEFENSE MOBILIZATION,
JOHN R. STEELMAN,
Acting Director.

[F. R. Doc. 52-9644; Filed, Aug. 29, 1952; 3:46 p. m.]

[Defense Manpower Policy No. 4, Notification 57, Amdt.]

PLACEMENT OF PROCUREMENT WITH THE SHIPBUILDING INDUSTRY

EXEMPTION OF GENERAL SERVICES ADMINISTRATION FROM CERTAIN PROVISIONS

Upon request of the Administrator of the General Services Administration and following a recommendation by the Surplus Manpower Committee, the Director of Defense Mobilization has approved the following:

That Notification 57 (17 F. R. 7868) be amended to exempt the General Services Administration from the provisions of this notification;

And that the General Services Administration be exempt from the provisions of Defense Manpower Policy No. 4

as it relates to the placement of contracts with the shipbuilding industry.

OFFICE OF DEFENSE MOBILIZATION,
JOHN R. STEELMAN,
Acting Director.

[F. R. Doc. 52-9645; Filed, Aug. 29, 1952; 3:46 p. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-716]

CINCINNATI ADVERTISING PRODUCTS CO.

NOTICE OF APPLICATION TO STRIKE FROM LISTING AND REGISTRATION, AND OF OPPORTUNITY FOR HEARING

AUGUST 26, 1952.

The Cincinnati Stock Exchange, pursuant to section 12 (d) of the Securities Exchange Act of 1934 and Rule X-12D2-1 (b) promulgated thereunder, has made application to strike from listing and registration the Common Stock, $5 Par Value, of The Cincinnati Advertising Products Company.

The application alleges that the reasons for striking this security from listing and registration on this exchange are as follows:

(1) On March 17, 1952, all shareholders of the above security were notified that the president of the issuer and other stockholders owning approximately 34,000 shares of the 48,000 shares outstanding, had agreed to sell all their shares to Oliver L. Bardes of Cincinnati, Ohio, at $9 Per share.

(2) All other stockholders were offered the privilege of depositing their shares with the First National Bank of Cincinnati for sale to the same purchaser at the same price.

(3) As a result of these transactions, in excess of 95 percent of the outstanding shares of the above security are now owned by one shareholder; to wit, Cook Well Strainer Company.

(4) No transactions have been effected in the above security on the applicant exchange during the year 1952.

(5) The applicant exchange is of the opinion that there is not now sufficient distribution of the above security in the hands of the public to warrant listing and registration of this security on the exchange.

Upon receipt of a request, prior to September 18, 1952, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms or conditions. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington, D. C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application, and other information contained in the official file of the Commission pertaining to this matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 52-9601; Filed, Sept. 2, 1952; 8:50 a. m.]

[File No. 1-2206]

REORGANIZED DIVIDE ANNEX MINING CO.

NOTICE OF APPLICATION TO STRIKE FROM LISTING AND REGISTRATION, AND OF OPPORTUNITY FOR HEARING

AUGUST 27, 1952.

The San Francisco Mining Exchange, pursuant to section 12 (d) of the Securities Exchange Act of 1934 and Rule X-12D2-1 (b) promulgated thereunder, has made application to strike from listing and registration the Common Stock, 10¢ Par Value, of Reorganized Divide Annex Mining Company.

The application alleges that the reasons for striking this security from listing and registration on this exchange are as follows:

(1) The above security was suspended from trading on the applicant exchange from June 30, 1950, to the present time.

(2) During this period of time the issuer of the above security has forfeited its corporate charter.

Upon receipt of a request, prior to September 30, 1952, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms or conditions. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington, D. C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application, and other information contained in the official file of the Commission pertaining to this matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 52-9595; Filed, Sept. 2, 1952; 8:48 a. m.]

[File No. 54-188]

EASTERN UTILITIES ASSOCIATES

NOTICE OF FILING OF AMENDED PLAN OF REORGANIZATION NO. 4 AND ORDER RECONVENING HEARING

AUGUST 27, 1952.

Notice is hereby given that Eastern Utilities Associates ("EUA"), a registered holding company, has filed with this Commission an Amended Plan of Reorganization No. 4 ("Amended Plan No. 4") for it and its direct public-utility subsidiary companies, Blackstone Valley Gas and Electric Company ("Blackstone"), Brockton Edison Company ("Brockton"), and Fall River Electric Light Company ("Fall River"), and its indirect public-utility subsidiary company, Montaup Electric Company ("Montaup"), pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935 ("the act"). On July 10, 1952, representatives of all of the committees and groups participating in this proceeding agreed to a compromise proposal with respect to a modification of the then pending amended reorganization plan. The stated purpose of Amended Plan No. 4 is to comply with the order of this Commission, dated April 4, 1950, issued in proceedings under section 11 (b) of the act. (See Eastern Utilities Associates and its Subsidiary Companies, Holding Company Act Release No. 9784.) It is stated that Amended Plan No. 4 is designed to put into effect the substance of said compromise agreement and thereby expedite this proceeding.

All interested persons are referred to Amended Plan No. 4, which is on file at the offices of this Commission, for a full statement of the proposals contained therein which are summarized hereinafter.

Under Amended Plan No. 4, EUA will be recapitalized to provide for an authorized capital of 2,000,000 single class common shares of $10 par value per share, 989,407.0628 of which shares will be allocated to its present common and convertible shareholders with the common shareholders being entitled to receive 69.3 percent thereof and the convertible shareholders receiving 30.7 percent thereof. It is proposed that the holders of Common shares shall be entitled to receive one new EUA common share for each common share held and the holders of Convertible shares shall receive .3846 of a new EUA common share for each Convertible share held, with scrip to be issued for fractional shares. This amounts to the establishment of a per-share allocation ratio of 2.6 to 1 between the common and convertible shareholders. Provision is made for the cancellation of presently outstanding scrip after a period of five years. Provision is also made for bar dates with respect to scrip to be issued under this plan.

EUA proposes to retire $7,000,000 of its bank indebtedness by the issuance of debentures in a like principal amount. Such debentures will mature in twenty-five years and will carry an annual sinking fund of 1 percent during the first three years, 2 percent during the second three years, 3 percent during the third three years, 4 percent during the fourth three years and 5 percent thereafter. This will leave 10 percent of the issue to be retired at maturity. The present bank indebtedness of EUA in the amount of $9,094,000 matures October 19, 1952, and, subject to Commission approval, may be renewed for one year. EUA contemplates that, on or about October 1, 1953, it will issue a sufficient number of

its new common shares to raise approximately $2,000,000 and use so much of the proceeds as is necessary to retire its then outstanding bank indebtedness.

EUA will reduce the carrying values of its investments in its subsidiaries to the underlying book values thereof as of the effective date of the plan.

The direct subsidiary companies of EUA contemplate the issuance of mortgage bonds, the proceeds of which will be used to pay off their outstanding bank loans and the bank loans of Montaup.

The Division of Public Utilities of the Commission having advised the Commission that it has made a preliminary examination of Amended Plan No. 4 and that, upon the basis thereof and without prejudice to additional matters or questions being specified upon further examination, the following matters and questions are presented for consideration:

(1) Whether Amended Plan No. 4, as submitted or as it may hereafter be modified, is necessary to effectuate the provisions of section 11 (b) of the act;

(2) Whether Amended Plan No. 4, as submitted or as it may hereinafter be modified, is fair and equitable to the holders of the outstanding securities of EUA and to all other persons who may be affected thereby;

(3) Whether the terms and provisions relating to the securities proposed to be issued by EUA are consistent with the public interest and the interest of investors and consumers and with the applicable standards of the act and particularly whether such securities are reasonably adapted to the security structure of EUA and its subsidiary companies;

(4) Whether the transactions proposed in Amended Plan No. 4, as submitted or as it may hereafter be modified, in all respects comply with the applicable provisions of the act and the rules promulgated thereunder and whether such transactions are fair and equitable to all persons affected thereby and are necessary and appropriate to effectuate the provisions of section 11 (b) of the act;

(5) Whether the accounting entries in connection with Amended Plan No. 4, as submitted or as it may hereafter be modified, are appropriate and in accordance with sound accounting practice; and

(6) What terms and conditions, if any, should be contained in the Commission's order with respect to Amended Plan No. 4, as submitted or as it may hereafter be modified:

It is ordered, That the hearing in this matter be reconvened on September 16, 1952, at 10:30 a. m., e. d. s. t., at the offices of the Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. Any person, other than those who previously have been granted the right to participate in this proceeding, who desires to be heard in connection therewith or proposes to intervene in this proceeding should file, on or before September 12, 1952, a written request relative thereto as provided by Rule XVII of the Commission's rules of practice.

It is further ordered, That attention shall be directed at said hearing to the foregoing matters and questions specified above.

It is further ordered, That jurisdiction be, and it hereby is, reserved to separate, in whole or in part, whether for hearing or for disposition, any issues or questions which may arise in these proceedings and to take such other action as may appear conducive to an orderly, prompt and economical disposition of the matters involved.

It is further ordered, That the Secretary of the Commission shall mail a copy of this notice and order by registered mail to Eastern Utilities Associates, Blackstone Valley Gas and Electric Company, Brockton Edison Company, Fall River Electric Light Company, Montaup Electric Company, The Massachusetts Department of Public Utilities, the Public Utility Administrator of Rhode Island, The Federal Power Commission and all parties and persons who have been permitted to participate in the hearings and that notice be given to all other interested persons by general release of the Commission and by publication of this notice and order in the FEDERAL REGISTER.

It is further ordered, That Eastern Utilities Associates shall mail a copy of this notice and order to all of its shareholders of record, at least 10 days prior to September 16, 1952.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-9596; Filed, Sept. 2, 1952; 8:49 a. m.]

[File No. 70-1371]

FEDERAL LIGHT AND TRACTION CO. ET AL.

ORDER RELEASING JURISDICTION OVER FEES AND EXPENSES

AUGUST 27, 1952.

In the matter of Federal Light & Traction Company, Cities Service Company, Public Service Company of New Mexico, Federal Liquidating Corporation; (File No. 70-1371).

The Commission having by orders dated September 11, 1947, and June 19, 1950, approved a plan filed pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935 ("act") by Cities Service Company ("Cities"), a registered holding company, Federal Light & Traction Company ("Federal"), formerly a registered holding company subsidiary of Cities and its former subsidiary, Public Service Company of New Mexico, proposing the dissolution and liquidation of Federal; and Federal Liquidating Corporation ("Liquidating Corporation"), organized to facilitate the consummation of the plan, having joined in said filing; and said order of September 11, 1947, among other things, having reserved jurisdiction over all fees and expenses to be paid in connection with the plan, the transactions and proceedings relating thereto, and the consummation thereof; and

Liquidating Corporation having filed an application and amendments thereto requesting the Commission to (a) approve the payment of the fees and expenses incurred directly by Federal and Liquidating Corporation for services rendered in connection with the plan and related transactions aggregating $62,259.30 consisting of $45,155.35 for legal fees and expenses to Frueauff, Burns, Ruch & Farrell (now Frueauff, Burns, Farrell, Shanley & Johnsen), counsel for the company; $5,436.50 to Niles & Niles for accounting services; $5,447.31 to The New York Trust Company, as Liquidating and Escrow Agent; $250 to White & Case, counsel for The New York Trust Company, as Escrow Agent; $5,593.52 for costs of transcripts, printing and photostats; and $376.62 for filing fees and other expenses; and (b) fix a date for submission of all other claims for fees and expenses and determine any additional amounts to be paid by Liquidating Corporation as fees and expenses for services rendered in connection with this proceeding.

Due notice having been given of the filing of the said amended application stating that any interested person might, not later than August 18, 1952, request a hearing thereon and requiring any person desiring to assert any claims for compensation or reimbursement for fees and expenses in connection with the section 11 (e) plan of Federal to file such claim or notification of intention to assert such claim on or before August 18, 1952; and no claims or intentions to assert claims having been received; and no request for a hearing having been received and the Commission not having ordered a hearing thereon; and

It appearing to the Commission that the proposed amounts for fees and expenses as above set forth are not unreasonable and that said amounts to the extent not heretofore paid may appropriately be paid by Liquidating Corporation, that upon such payment the jurisdiction heretofore reserved in connection therewith may appropriately be released:

It is ordered, That Federal Liquidating Corporation be, and it is hereby, authorized and directed to pay the amounts of fees and expenses set forth above to the extent that they have not heretofore been paid and that, upon such payment, the jurisdiction heretofore reserved by the Commission in its order of September 11, 1947, with respect to said fees and expenses be, and the same hereby is, released, but only to the extent of the payments hereby authorized.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-9599; Filed, Sept. 2, 1952; 8:49 a. m.]

[File No. 70-2909]

SOUTHERN NATURAL GAS CO.

ORDER AUTHORIZING CHARTER AMENDMENTS TO INCREASE AUTHORIZED COMMON STOCK AND TO GRANT PREEMPTIVE RIGHTS AND PERMITTING DISTRIBUTION OF ADDITIONAL COMMON STOCK

AUGUST 27, 1952.

Southern Natural Gas Company ("Southern"), a registered holding com-

pany, having filed an application-declaration and an amendment thereto pursuant to the Public Utility Holding Company Act of 1935 ("act"), designating sections 6 and 7 thereof as applicable to the proposed transactions, which are summarized as follows:

Southern proposes at a special meeting of its stockholders to be held in October 1952 to submit for their approval a proposal to amend its Certificate of Incorporation so as to increase the number of authorized shares of capital stock from 2,000,000 shares of the par value of $7.50 per share to 4,000,000 shares of the par value of $7.50 per share.

If the increase in authorized capital stock is approved by the stockholders Southern intends to issue to its stockholders one additional share of common stock, par value $7.50 per share, for each share of such stock held by them. The proposed transaction would result in doubling the number of shares held by each stockholder without any change in the par value (i. e., $7.50) of each share. The number of issued shares would thus be increased from 1,711,005 to 3,422,010. The Common Stock Capital account would be increased by an amount equal to the aggregate par value ($12,832,537.50) of the additional shares issued, and this would be effected by a transfer to capital account of $9,075,754.05 from premium on common stock account, of $1,237,573.08 from capital surplus account, and the balance, $2,519,210.37, from earned surplus account.

Southern also proposes to submit for stockholders' approval an amendment to its Certificate of Incorporation to the effect that holders of its shares of common stock shall be granted the right to purchase, pro rata, any common stock, securities convertible into common stock, or to which shall be attached warrants or other instruments conferring the right to subscribe for or purchase common stock, which may be authorized to be sold by the company for cash otherwise than pursuant to a public offering to or through underwriters or investment bankers.

Due notice having been given of the filing of the said application-declaration as amended, and a hearing not having been requested of or ordered by the Commission; and

The Commission finding that the requirements of the applicable provisions of the act and rules thereunder are satisfied and that no adverse findings are necessary, and deeming it appropriate in the public interest and in the interests of investors and consumers that said application-declaration as amended be granted and permitted to become effective:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of the act, that said application-declaration as amended be, and the same hereby is, granted and permitted to become effective forthwith, subject to the provisions of Rule U-24.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-9597; Filed, Sept. 2, 1952; 8:49 a. m.]

[File No. 70-2917]

OKLAHOMA GAS AND ELECTRIC CO. AND STANDARD GAS AND ELECTRIC CO.

NOTICE OF PROPOSED AMENDMENTS TO ARTICLES OF INCORPORATION AND BY-LAWS WITH RESPECT TO PREEMPTIVE RIGHTS, MERGERS, SALES OF ASSETS, LIMITATIONS ON AUTHORITY OF DIRECTORS TO ADOPT OR AMEND BY-LAWS; AND OF PROPOSED SOLICITATION OF STOCKHOLDERS

AUGUST 27, 1952.

Notice is hereby given that a declaration has been filed with this Commission by Standard Gas and Electric Company ("Standard"), a registered holding company, and Oklahoma Gas and Electric Company ("Oklahoma"), a public utility subsidiary of Standard. Declarants have designated sections 6 (a), 7 and 11 (b) of the act and Rules U-62 and U-65 promulgated thereunder as applicable to the proposed transactions which are summarized as follows:

It is proposed that the articles of incorporation and the by-laws of Oklahoma be amended in order to bring them into conformity with the standards of the Commission and, in connection with such proposed amendments, Oklahoma proposes to solicit proxies to be used at a special meeting of stockholders to be held on September 30, 1952.

The proposed amendments will:

(1) Set forth the preemptive rights of the holders of the Common Stock and 4 percent Cumulative Preferred Stock to purchase pro rata any additional stock of the particular class held by them offered for sale for cash prior to any sale of such stock to others;

(2) Provide that Oklahoma shall not merge or sell all or substantially all of its assets without the affirmative vote of a majority of the total voting power of the outstanding shares entitled to vote;

(3) Place limitations on the authority of the Board of Directors of Oklahoma to adopt or alter the by-laws of the company without a stockholder vote;

(4) Redefined the Directors' rights to indemnification by the company; and

(5) Afford a liberalized right to the stockholders to initiate the calling of special meetings.

The declaration states that adoption of the amendments to the Amended Articles of Incorporation will require the affirmative vote of a majority of the total voting power of the outstanding shares of 4 percent Cumulative Preferred Stock and Common Stock, and in addition the affirmative vote of the holders of a majority of the outstanding shares of Common Stock by a separate class vote. It is stated that the company will solicit proxies by mail and may also make direct solicitations through its officers and other regular employees of the company. Authority to solicit proxies is not sought in connection with the proposed amendments to the by-laws.

Oklahoma estimates that its total expenses in connection with the proposed transactions will be $5,500, including printing ($1,500), postage ($900), attorneys' fees ($1,800) and miscellaneous $1,300).

Notice is further given that any interested person may, not later than September 10, 1952, at 5:30 p. m., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his interest and the issues of fact or law raised by said declaration which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street, NW., Washington 25, D. C. At any time thereafter said declaration, as filed or as amended, may be granted as provided in Rule U-23 of the rules and regulations promulgated under the act or the Commission may exempt such transactions as provided in Rule U-20 (a) and U-100 thereof.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-9598; Filed, Sept. 2, 1952; 8:49 a. m.]

[File No. 70-2919]

GENERAL PUBLIC UTILITIES CORP.

NOTICE OF FILING REGARDING CAPITAL CONTRIBUTION TO SUBSIDIARY

AUGUST 27, 1952.

Notice is hereby given that General Public Utilities Corporation ("GPU"), a registered holding company, has filed a declaration pursuant to the Public Utility Holding Company Act of 1935 and has designated section 12 (b) thereof and Rule U-45 promulgated thereunder as applicable to the proposed transactions which are summarized as follows:

GPU proposes to make cash contributions in the aggregate amount of $1,000,000 to its subsidiary, New Jersey Power & Light Company ("NJP&L"). Said contributions will be credited initially by NJP&L to capital surplus and promptly thereafter transferred to the stated capital applicable to its common stock. Such capital contributions will be made by GPU as NJP&L requires funds for construction purposes or to reimburse its treasury for expenditures therefrom for construction purposes.

The declaration states no State commission or Federal commission, other than this Commission has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than September 12, 1952, at 5:30 p. m., e. d. s. t., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his interest and the issues of fact or law raised by said declaration which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after September 12, 1952, said declaration, as filed or as amended, may be permitted to become effective as provided in Rule U-23

of the rules and regulations promulgated under the act, or the Commission may exempt such transaction as provided in Rules U-20 (a) and U-100 thereof. All interested persons are referred to said declaration which is on file in the office of this Commission for a statement of the transactions therein proposed.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-9602; Filed, Sept. 2, 1952; 8:50 a. m.]

[File No. 811-441]

F. L. ANDREWS INVESTMENT TRUST

ORDER TERMINATING REGISTRATION

AUGUST 27, 1952.

An application pursuant to section 8 (f) of the Investment Company Act of 1940 (the act), for an order of the Commission declaring that F. L. Andrews Investment Trust (the Trust) has ceased to be an investment company within the meaning of the act, has been filed on behalf of the Trust by Reuben L. Lurie, Receiver of the Trust.

F. L. Andrews Investment Trust, formerly of Fall River, Massachusetts, is registered under the act as a closed-end, nondiversified, management company. In proceedings commenced in the District Court of the United States for the District of Massachusetts by this Commission against the Trust and one Alan H. Andrews, Civil Action File No. 8845, said Court ordered the Trust into receivership and, on November 30, 1949, said Court appointed Reuben L. Lurie as Receiver thereof. The Commission has been furnished evidence that the Trust has been completely liquidated, that all assets of the Trust have been distributed to creditors and stockholders whose claims were allowed, that no further assets remain to be accounted for, that said Receiver's final report to said Court has been allowed and accepted, and that said receivership has been terminated and the Receiver discharged by said Court.

Notice of the filing of said application has been duly given in the manner and form prescribed by Rule N-5 under the act, the Commission has not received a request for a hearing within the period specified in said notice, and a hearing does not appear necessary or appropriate in the public interest.

Wherefore, the Commission having considered the matter, finds that F. L. Andrews Investment Trust has ceased to be an investment company, and it is hereby so declared; and

It is ordered, That the registration of F. L. Andrews Investment Trust under the Investment Company Act of 1940 shall forthwith cease to be in effect.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-9600; Filed, Sept. 2, 1952; 8:50 a. m.]

[File No. 811-390]

COMMONWEALTH FUND TRUST CERTIFICATES AND NORTH AMERICAN SECURITIES CO.

NOTICE OF APPLICATION

AUGUST 27, 1952.

Notice is hereby given that North American Securities Company ("North American"), 2500 Russ Building, San Francisco, California, sponsor for Commonwealth Fund Trust Certificates a unit investment trust registered under the Investment Company Act of 1940, has filed an application pursuant to section 8 (f) of the act for an order of the Commission declaring that Commonwealth Fund Trust Certificates has ceased to be an investment company within the meaning of the act.

It appears from the application that Commonwealth Fund Trust Certificates was created under a trust agreement dated June 3, 1935, entered into by North American as sponsor and Title Insurance and Guaranty Company ("Title Insurance") as trustee. On August 1, 1950, Title Insurance gave notice to the sponsor of its desire to terminate its services as trustee. At that time there were only 92 certificates outstanding, the normal maturity date of such certificates had passed and no certificates had been sold for more than 10 years. The trustee, acting pursuant to the terms of the trust agreement, terminated the trust on September 11, 1950, liquidated the underlying securities and held the proceeds of liquidation for distribution to the accounts of the holders of the trust certificates. Prior notice of such proposed action was given to the certificate holders and 60 certificates were tendered for liquidation. The sponsor gave further notice to the holders of the unsurrendered certificates by registered mail on April 3, 1952, advising each such person of the liquidation held for his account and also published a similar notice to the holders of the Commonwealth Fund Trust Certificates in the "San Francisco Examiner" on April 3, 1952. As of May 9, 1952, there remained unsurrendered 20 certificates held by 19 persons and the trustee held for the account of such persons the sum of $3,254.48. The sponsor states that it will continue its efforts to locate the holders of the unsurrendered certificates.

All interested persons are referred to said application which is on file at the Washington, D. C., office of the Commission for a more detailed statement of the matters of fact and law therein asserted.

Notice is further given that an order granting the application, may be issued by the Commission at any time on or after September 10, 1952, unless a hearing upon the application is ordered by the Commission, as provided in Rule N-5 of the rules and regulations promulgated under the act. Any interested person may, not later than September 9, 1952, at 5:30 p. m., e. d. s. t., submit to the Commission in writing his views or any additional facts bearing upon the application, or the desirability of a hearing thereon, or request in writing that the Commission order a hearing to be held thereon. Any such communication or request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street, NW., Washington 25, D. C., and should state briefly the nature of the interest of the person submitting such information, or requesting a hearing, the reason for such request, and the issues of fact or law raised by the application which he desires to controvert.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-9594; Filed, Sept. 2, 1952; 8:48 a. m.]